FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,584 — Tuesday March 26 1985 — D 8523 B

Black anger boils over in South Africa, Page 18

U.S. officer killed in East Germany

The shooting by a Soviet guard of an American army officer serving with the U.S. military mission in East Germany threatened to blow up into a significant diplomatic incident between Washington and Moscow. The Soviet embassy in Washington said Major Arthur Nicholson was shot and killed after being caught red-handed photographing Soviet military equipment.

The shooting occurred in or near the town of Ludwigslust, about 160 km north-west of Berlin. Western diplomats in Bonn said the fact that the U.S. had waited a day before releasing the news indicated that Washington was treating the incident as very serious and highly sensitive. Page 3

Danish manufacturing sector halted as strike begins to bite

DENMARK'S MOST comprehensive labour conflict for almost 40 years began to bite yesterday when 300,000 workers either went on strike or were locked out, writes Hilary Barnes in Copenhagen.

Almost all production in the manufacturing sector was stopped; Scandinavian Airlines Systems' traffic to and from Denmark ceased; and slaughterhouses and the fish-processing industry – although not directly involved in the dispute – were forced to halt production by a strike in the trucking industry.

Leaders of the minority non-Socialist coalition Government last night met leaders of the small Radical Party which holds the balance between left and right in the Folketing (parliament) to discuss plans to impose a statutory incomes settlement on the labour market. But the Government is not expected to reveal its plans for a day or two.

There was speculation in Copenhagen last night that, under pressure from the Radicals, the Government would try to stop the conflict from next Monday after rushing legislation through the Folketing in a special weekend session.

The clash between the Danish private sector trade unions and the employers is not what it seems. The conflict is part of a well-rehearsed biannual ritual and the experience of the past 85 years suggests that the strike will end in a few days when the Folketing improves a statutory incomes settlement and tells everyone to return to work.

Danish wage agreements are made through a system of centralised bargaining between the LO (trades union council) and the Employers' Association. The agreements reached are legally binding on both sides, a system which has been in force with relatively few changes since 1899.

If the two sides fail to agree there may be a conflict – the last major one was in 1973. But increasingly over the past 30 years, unresolved negotiations have been settled by the Government, usually by making statutory a compromise formula put up by the official labour market mediator.

Bond and share prices on the Copenhagen Stock Exchange rose yesterday in lively trading in expectation of a rapid Government intervention, imposing very modest wage increases and probably including other measures to help to curb the balance of payments deficit.

The general public has not so far felt much impact from the strike. Neither the public sector, including public transport, nor companies which are not members of the Employers' Association are affected. These firms are expected to have to lay off labour within days, however, as the truckers' strike stops deliveries.

Although SAS has been forced to transfer its international flights from Copenhagen to other Scandinavian airports, the leading European airlines, including British Airways, are continuing to operate full services into and out of Copenhagen by using their own personnel for fuelling and baggage-handling operations. But trans-continental flights have been stopped.

The union representing 13,000 savings bank officials concluded a wage agreement giving increases of about 3 per cent a year over two years, in line with a weekend settlement by commercial bank employees and an earlier agreement in the insurance business.

But negotiations between the Finance Ministry and representatives of 200,000 civil servants broke down. This could unleash public sector strikes next week, although the government intervention will almost certainly include the pubic sector.

The present dispute has some unusual features, however. First, the only compromise suggested by the mediator this time was rejected out of hand and within minutes by both sides. The Government considered it to be too generous, but it now has to work out a settlement from scratch.

Second, the LO has never before brought out on strike the power station workers and the truckers, thus hitting vital services. This is not because Mr Knud Christensen, LO chairman, is out to challenge the Government. It follows from the logic of the bargaining situation this year.

The present Government is a four-party, non-Socialist minority administration. In the autumn of 1982 it succeeded in abolishing the index-linking of wages and salaries

Continued on Page 20

World news

Journalist seized in Beirut

A British journalist working for the United Nations Relief and Works Agency was kidnapped outside Beirut and a French diplomat was seized in the port city of Tripoli. The Lebanese Armed Revolutionary Factions said it abducted the diplomat and demanded the release of a Lebanese held in a French jail. Page 20

New Palestine front

Six Palestinian guerrilla groups opposed to Palestinian leader Yassir Arafat's peace policies announced in Damascus the formation of a Palestinian National Salvation Front.

Socialist row

Wrangling broke out in the ranks of France's ruling Socialist party over a crucial change in voting rules for next year's general elections. Page 2

Sri Lanka amnesty

Sri Lankan President Junius Jayewardene offered an amnesty to separatist guerrillas if they laid down their arms.

Scargill in Moscow

UK mineworkers' union president Arthur Scargill arrived in Moscow for a meeting of the new mineworkers' international organisation which he was instrumental in founding.

Botha rejects calls

South African President P. W. Botha rejected calls for the resignation of law and order minister Louis Le Grange over the killing of 19 blacks by police. Page 4

Radio link approved

Israel is to allow the U.S.-funded Radio Free Europe and Radio Liberty to broadcast to Eastern Europe from a transmitter in Israel.

Taiwan trial

Three senior Taiwanese intelligence officers will be indicted next week for alleged involvement in the murder of a Chinese-American writer in California, the Taiwan Defence Ministry said.

Drugs clampdown

Soviet authorities are clamping down on drug smugglers who use Moscow's international airport as a transit point for bringing drugs from Asia to Western Europe. Page 2

Racial killing

The undercurrent of racial intolerance in France surfaced in the seaside resort of Menton where a Moroccan immigrant was killed by two young white men because he was talking to a white girl. Page 2

Jets 'shot down'

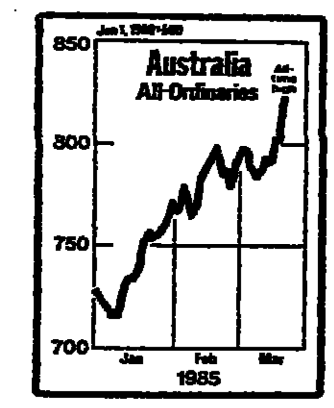
Iran said its forces shot down three Iraqi aircraft as they tried to bomb the Kharg Island oil terminal in the Gulf. Iran also said it fired a ground-launched missile at Baghdad, where at least eight people were reported dead when an explosion destroyed part of an apartment building. Page 4

Business summary

Zanussi to sack 6,000

ZANUSSI, Italian domestic appliance maker taken over last year by Electrolux, is to shed a third of its 18,000 workforce in Italy. Page 21

WALL STREET: The Dow Jones industrial average closed down 7.51 at 1,259.94. Section III



AUSTRALIAN share prices continued to soar to record highs in heavy trading on the Sydney Stock Exchange yesterday, with the All-Ordinaries index rising 10.2 points to 821.0. Broken Hill Proprietary, Australia's biggest public company, led the gains after last week's announcement of a 20 per cent rise in third-quarter profits. Section III

DOLLAR was firm in quite London trading, rising to DM 3.2375 (DM 3.226), FFr 9.8875 (FFr 9.86), SwFr 2.741 (SwFr 2.7275) and Y256.65 (Y255.55). On Bank of England figures the dollar's index rose to 150.5 from 149.8. Page 41

STERLING lost 20 points against the dollar in London to close at $1.1715. It was firmer, however, at DM 3.795 (DM 3.78), FFr 11.59 (FFr 11.54), SwFr 3.21 (SwFr 3.1975) and Y300.75 (Y299.25). The pound's exchange rate index rose to 75.7 from 75.5. Page 41

GOLD rose 25 cents on the London bullion market to close at $315.75. It was down slightly in Zurich at $315.25. Page 40

LONDON shares failed to find any inspiration in the stream of company trading statements and the FT Ordinary index dipped 2.5 to 989.7. Longer-dated gilts ended on a marginally firmer tone. Section III

TOKYO stocks ended easier, with investors disheartened by the uncertain outlook for Wall Street. The Nikkei Dow market average fell 44.69 to 12,493.26. Section III

BRITAIN announced an extensive restructuring of state support for industrial research and development. It will give more emphasis to projects representing a significant technological advance. Editorial comment, Page 18

MEXICO reached agreement in principle with the International Monetary Fund on the terms of the third and final year of its austerity plan. Page 6

FEDERAL Reserve Board of the U.S. has approved the application by FNB, a Pennsylvania bank, to acquire Metropolitan, an Ohio savings institute closed down in the state's recent banking crisis.

EXCO INTERNATIONAL, UK financial services group, boosted its profits 148 per cent to £80.67m ($93.6m) last year. Its shares rose 30p to 738p. Page 24; Lex, Page 20

MCGRAW EDISON, the U.S. electrical and mechanical goods manufacturer which agreed last week to a private leveraged buyout, has received a higher counterbid from Cooper Industries, a Houston-based conglomerate. Page 21

IMF to block Argentina's credit drawings until July

BY PETER MONTAGNON IN VIENNA

ARGENTINA will be unable to draw further on its $1.4bn credit from the International Monetary Fund before July, according to a message to bank creditors from Mr Jacques de Larosiere, managing director of the IMF.

The delay in drawings has raised serious concern among bankers attending the Inter-American Development Bank annual meeting in Vienna over a possible steep rise in interest arrears on the country's $48bn foreign debt.

Sr Mario Brodersohn, Argentina's chief negotiator with the banks, said his country would do its utmost to make interest payments while drawings on the fund were blocked, but he told the Financial Times yesterday that no spare cash was currently available. Foreign exchange reserves are down to the basic minimum required to pay for immediate imports.

The IMF told Argentina 10 days ago that drawings on its loan would have to be delayed while fresh economic targets were negotiated in an effort to reduce the country's inflation rate, now running at between 700 and 800 per cent a year. The IMF will want to see evidence that Argentina is sticking to the new targets before it disburses any further money.

That will inevitably cause delays on disbursements of Argentina's new $4.2bn loan from commercial bank creditors, of which $4.127bn is presently committed from some 350 banks.

In an effort to keep the momentum of Argentina's debt rescue package going while interest payments are held up, leading bank creditors are to press ahead with work on the legal contract of the new loan and possibly its signing, even though disbursement cannot take place before Argentina returns to good standing with the IMF.

Argentina has also received some support from Mr de Larosiere, who said in his message to bankers: "It is of the utmost importance that the financial arrangements between Argentina and foreign creditors be completed." Argentina has made "a substantial effort" to meet the targets of the programme and agreed the continuation of the standby "arrangement."

Argentina must, however, also make some interest payments to commercial banks if existing agreements are to hold in place, senior bankers said yesterday. Arrears now stretch back to November and amount to some $850m.

The U.S. Treasury has declined to make bridging finance available to Argentina to cover its current gap, and some bankers are pressing the Government of President Raúl Alfonsin to turn again to other Latin American countries.

One worry is that Argentina's debt might again be declared substandard by the U.S. authorities this year if interest arrears mount, alienating bank creditors further.

The climate between Argentina and the IMF is, however, better than it was last year when the country was resisting any form of austerity. Sr Brodersohn said: "We have reached a stage of inflation where we know it will be politically painful to reduce it, but it will also be painful if we do not reduce it."

IADB Warning; Mexico reaches agreement, Page 6

Canadian state aid helps to save bank

By Bernard Simon in Toronto

THE CANADIAN Government has intervened for the first time to support a bank with a direct injection of funds.

It has linked with the country's six largest banks to launch a C$255m (U.S. $185.6m) rescue package for Canadian Commercial Bank (CCB) of Edmonton, Alberta, 10th largest of Canada's 14 domestic banks, which has suffered heavy U.S. loan losses.

The Finance Ministry said yesterday that the rescue package was designed to ensure the long-term viability of CCB, the latest of several western Canadian institutions to experience financial difficulties.

A government official said yesterday: "We do not like to see banks failing. The Canadian market has a good reputation, and there is merit in keeping that reputation."

The last bank failure in Canada was in 1923.

Mrs Barbara McDougall, Minister of State for Finance, said the Bank of Canada "stands ready to provide liquidity for Canadian commercial banks, if requested, as well as for any other Canadian bank."

The Canadian Commercial Bank had assets of C$3.1bn on January 31. About a quarter of its loans are to U.S. borrowers, but the bank has suffered in recent years from the severe recession in western Canada's energy and property sectors, as well as depositors' preference for investing with larger banks and blue chip government issues.

CCB's net income has plunged from C$9.8m in 1981 to less than C$1m in the year to October 31 1984. Last year the bank acquired a small California banking group.

The bank's latest difficulties stem from the recent slump in demand for oil rigs; it had made loans to oil-

Continued on Page 20

Concern over money laundering, Page 20

General Dynamics to cut $23m from bills to Pentagon

BY WILLIAM HALL IN NEW YORK

GENERAL DYNAMICS, the leading U.S. defence contractor, plans to trim $23m from the $170m of overhead charges on several major defence contracts in a bid to counter mounting allegations that it has overcharged the U.S. government by an estimated $60m over a four-year period.

The move comes less than three weeks after the U.S. Defence Department announced that it was suspending payments of general and administrative expenses, commonly referred to as overhead, to the company for at least a month while it investigated allegations that General Dynamics had billed the Government for several improper items, including the cost of boarding a pet dog owned by a company official.

General Dynamics announced the reduction in charges yesterday as its senior officers were being grilled by a congressional committee investigating allegations made by a former company executive, Mr P. Tarkis Veliotis, that the group overcharged the Government by hundreds of millions of dollars on some of its submarine contracts.

Mr Veliotis currently lives in Greece, having fled the country in 1983 after being accused by the government of accepting kickbacks of $1.3m from a sub-contractor while managing General Dynamics' shipyard in Quincy, Massachusetts.

The Defence Department spends over $6bn a year with General Dynamics, which manufactures many of its favourite weapons such as the F-16 jet fighter, the M-1 tank and the Trident submarine. Overheads account for about 8 per cent, or around $40m a month, of the Government's payments to the giant company, which is based in St Louis, Missouri.

Following the temporary suspension of overhead payments on March 5, the company said that it believed it would be able to satisfy the Government's concerns over the validity of its billing procedures. It said that any bills that are determined not to be bona fide will be withdrawn immediately.

Mr David Lewis, chairman of General Dynamics, said yesterday that 700 of the company's 98,000 staff were working virtually around the clock rechecking the overhead expenses which had been billed to the Government.

Mr Lewis told the House of Representatives' energy and commerce committee that his staff had reviewed the reports of the defence contract audit agency, a federal watchdog agency, for the four years 1979 to 1982. The agency had questioned $63.6m of the $170m of General Dynamics overhead charges.

He said that while he believed that the vast majority of the questioned items were probably allowable under the applicable regulations. General Dynamics had now looked at the items in light of "today's environment" and Defence Secretary Mr Casper Weinberger's newly stated policy on the allocation of overhead costs to government contracts.

Mr Lewis said: "We have applied our judgment to the issue and we will voluntarily remove approximately $23m from our outstanding overhead proposals." He noted that the figure might increase as a result of further negotiations.

BNOC to pay market price from next month

By Dominic Lawson in London

BRITISH National Oil Corporation (BNOC), which is to be wound up by the Government, will pay an unchanged price of $28.65 per barrel for North Sea oil produced this month. In subsequent months, however, the state oil trading company will pay suppliers monthly market-related prices – which means that its price for April will probably be cut to about $27.50.

An unchanged March price will result in further losses of about £20m ($23.4m) on BNOC's trading because it has sold most of its entitlement to 51 per cent of North Sea oil production in the month on the spot market at an average price of about $27.30.

Twice in recent months the Government has asked parliament to approve grants of £65m to cover losses the corporation incurred in defending the Government's price policy; the most recent grant – £20m – only covers losses to the end of February. As BNOC is to be wound up, the Government will probably allow the corporation's reserves to drop below the agreed minimum of £30m and so avoid a third request to parliament.

BNOC told its suppliers yesterday that "in the light of the recent announcement by the Government, the coporation would wish to wind down its acquisition of crude oil as soon as practicable." The corporation added, however, that it was willing to continue to take its maximum entitlement to the end of June.

Since the corporation is already well into its sales of May production, and has already sold all but a few cargoes of its entitlement to

Continued on Page 20

UK press group prepares to bid for Express newspapers

BY CHARLES BATCHELOR IN LONDON

BRITAIN'S Daily and Sunday Express newspapers, once the flagship of the Beaverbrook press empire, are the targets of a likely takeover bid from United Newspapers, the fast-growing British provincial newspaper group.

United said yesterday that it planned to launch a takeover bid for Fleet Holdings, which publishes the Express newspapers, which would value the group at about £240m ($278.4m).

There was no reaction from Fleet last night but there are understood to have been no merger talks between the two sides and Fleet is expected to reject the approach strongly.

United, which publishes the magazine Punch and the Yorkshire Post newspaper, took the unusual step of saying that it would not reveal the terms of the bid until it heard the results of a Monopolies and Mergers Commission review of its plan.

A reference to the commission is necessary because both United and Fleet own daily newspapers with a circulation of more than 25,000. United does not own any national titles but has a large number of provincial papers, many of them in Yorkshire and Lancashire.

Fleet comprises the Express newspaper empire built by Lord Beaverbrook; The Daily Star; regional newspapers; the Morgan-Grampian magazine group; a 31 per cent stake in TV-am; a breakfast-time TV production company; and an interest in Reuters

It was floated as a separate company from Sir Nigel Broackes' Trafalgar House group in 1982 under the chairmanship of Lord Matthews, Sir Nigel's long-time business partner.

Mr David Stevens, chairman of United Newspapers and of Montagu Investment Management, has made rapid changes at United in the past four years. Its traditional newspaper business has been rationalised and Mr Stevens masterminded the £82m takeover of Link House, publishers of Exchange and Mart, the weekly classified advertising magazine, last November. United paid £31m for the 16 per cent stake in Fleet owned by Mr Robert Maxwell, publisher of Britain's Mirror Group Newspapers.

The group's pre-tax profit soared £4.6m to £11.5m in the six months to June 30 1984, on turnover which rose from £53m to £80m. After a profit slump to £1.86m in 1981, United recovered to a pre-tax profit of £8.86m in 1983.

Mr Stevens said: "We think there is more synergy than overlap. We do not have any national papers and they have only a few regional papers. This offer was to be referred so we took the view it would not be appropriate to name the terms now."

CONTENTS

EUROPEAN NEWS

European Space Agency may sell earth stations

BY PETER MARSH IN LONDON

THE 11-nation European Space Agency is considering hiving off to private industry a network of earth stations with which it receives pictures taken from outer space.

The stations are part of Earthnet, a system which obtains data from earth-sensing satellites such as the U.S. Landsat series and makes the information available to companies and research organisations throughout Western Europe.

Among the users of the space photographs are farming groups, which use the data to monitor agricultural conditions, and minerals companies, which look out for geological features indicating oil and gas deposits.

Eight of the agency's members have set up a working group to examine how the system could be operated by private industry. At present, Earthnet runs at a loss, costing about $3m a year, of which only about 15 per cent is recouped from sales of information.

A precedent for the handover of the earth-sensing system to the private sector is the formation of Arianespace, a largely private company based near Paris which handles sales of the Ariane rocket, whose development costs were paid by ESA's members.

The ESA working group, due to report to the agency's governing council in the summer, is investigating the legal intricacies of the operation of the remote-sensing stations by a private group. Agreement would have to be reached with the U.S. Government agencies that operate Landsat.

Another consideration is how a private company could cut the losses of Earthnet, perhaps by more efficient distribution of data and better marketing.

The key parts of Earthnet are two receiving stations in Kiruna in Sweden, and Fucino in Italy, which obtain information directly from satellites such as Landsat. An operations centre run by ESA in Frascati, Italy, is responsible for sales of the pictures throughout Europe.

A leading contender for taking over Earthnet could be Spot Image, a company partly backed by the French Government, which intends to operate a commercial remote-sensing service from January. This will use pictures of the Earth obtained from Spot-1, a French satellite due to enter orbit in October.

M Andre Fontanel, general manager of Spot Image, said at the weekend that he could comment on the idea of running Earthnet only when the ESA countries had decided on the issue.

Dr Colin Stove, chairman of ERSAC, a company in Livingston, Scotland, which advises industry on remote-sensing applications, said his company would be interested in forming part of any consortium created to take over Earthnet.

The eight ESA members involved in the working group on the Earthnet hand-over are France, West Germany, Italy, Britain, the Netherlands, Sweden, Belgium and Spain.

Charles Rouland

MR CHARLES ROULAND, manager of the Financial Times' Brussels office, died on Sunday aged 64 after a long illness.

He joined the Financial Times in 1964 as its business representative in Belgium and subsequently became the first manager of the newspaper's advertisement and circulation office in Brussels.

He is survived by his wife, son and infant granddaughter.

Moscow intercepts high-flying mongoose

By Patrick Cockburn in Moscow

THE SOVIET authorities are clamping down on drug smugglers using Moscow's international airport as a transit point from Asia to Western Europe, following the discovery by customs of four packets of heroin hidden by a young Italian inside a stuffed mongoose.

In the past smugglers, often from Pakistan and Thailand, have notably used Sheremetyevo Airport to change airplanes before continuing to Western European destinations.

Lt Col V. P. Lebedev, deputy head of customs at the airport, told Soviet television that the Italian had been recruited in Amsterdam by a Triad Chinese gang and was bringing 1.5 kg of heroin back from Karachi. Observing that he was travelling on a forged passport officials examined his luggage carefully.

"The drug — the purest heroin — was smuggled in this stuffed mongoose. To get at it we had to unstitch the stuffed animal and get out four packets," said a senior customs official. More of the drug was found in three plaster figurines the Italian smuggler was carrying.

Unmasked he made a full confession and, according to Moscow television, received a minimum sentence because this was his first offence.

Earlier in the year customs officials at Sheremetyevo seized 10 polyethylene bags containing 10 kg of hashish.

The Soviet authorities say there are only 2,000 registered drug addicts in the country.

Anti-Mafia chief replaced

By Alan Friedman in Milan

THE Italian Government has decided to replace Sig Emmanuele de Francesco as the special high commissioner to co-ordinate the war on the Mafia. Sig de Francesco, who has been operating from Rome, was appointed following the assassination in 1982 of Gen Carlo Alberto Dalla Chiesa, the high commissioner in Palermo.

Sig Riccardo Boccia takes over from him on April 1. Sig Boccia is prefect of Naples and the man widely credited with having done much to destroy the organisation of the Camorra, the Neapolitan version of the Mafia.

There was imediate speculation when the change was announced as to why Sig de Francesco was being removed. In Palermo, Sig de Francesco has been criticised by some politicians for being a "good man, but too bureaucratic."

In September 1983 the Government withdrew Sig de Francesco from Sicily's capital in order to co-ordinate the anti-Mafia campaign from Rome.

Sig Boccia will also be based in Rome, but an aide pledged yesterday that he would make the co-ordination of the various local and national police forces operating against the Mafia a top priority.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

French Socialists divided over electoral reform

BY DAVID MARSH IN PARIS

WRANGLING HAS broken out in the ranks of France's ruling Socialist Party over a crucial change in voting rules for next year's general elections, due to be decided by President François Mitterrand by the beginning of next month.

The electoral changes being considered by M Mitterrand would bring in an element of proportional representation for the 1986 polls to try to stiffen Socialist support in a newly-elected National Assembly and strengthen his position in the interim period leading to the next presidential election in 1988.

M Laurent Fabius, the Prime Minister, said last week that changes in the voting system would be decided by the first week of April, with the cabinet meeting of April 3 expected formally to agree a formula worked out by M Mitterrand and his closest advisers.

Opposition to the idea of proportional representation—which would mark a turning point in the Fifth Republic—emerged however at the weekend from leading figures in the Socialist Party.

M Michel Rocard, the Agriculture Minister—who before 1981 ran unsuccessfully against M Mitterrand as the Socialist's presidential candidate—said 'at a meeting of the party's executive committee that he had opposed proportional representation for 30 years and continued to do so now. It would illustrate a spirit of "defeatism" by the Left, he said.

M Jean-Pierre Chevenement, the Education Minister and leader of the Socialists' left-wing Ceres faction, also opposed the idea, as did M Jean Poperen, the number two in the party's hierarchy.

Remoulding of the electoral system to introduce proportionality—in contrast to present National Assembly representation based on single constituency majority voting—would be designed to split the opposition parties and put the Left in a better position to secure alliances with the Right in the next parliament.

The debate has sharpened over the past 10 days because voting in the mid-month cantonal elections, if reproduced in a National Assembly poll next year based on the present electoral system, would leave the Socialists in a substantial parliamentary minority.

Opposition to the reform ideas from M Rocard and M Chevenement has been based on the judgment that proportional voting would reduce the Socialists' ability to pick up votes from the Communists and other left-wing supporters and would usher in parliamentary instability similar to that seen under the crisis-prone Fourth Republic.

Race killing sparks outcry

THE undercurrent of racial intolerance in France has again surfaced with a vengeance in the seasort resort of Menton where a Moroccan immigrant was killed by two young white men because he was talking to a while girl, Paul Betts reports from Paris.

The main anti-racist organisations in France have called for a national protest today to show their indignation at this latest episode of racial violence in France. Cardinal Jean-Marie Lustiger, the influential archbishop of Paris, said on Sunday: "I am afraid I may become ashamed of my country" because of worrying growth of racial intolerance in France.

The Menton incident has caused a major shock throughout the country. A young Moroccan assistant cook and a friend from Martinique were talking to a white woman in the street when two young white men shot them. The Moroccan was killed and his friend wounded.

The gunmen later told police that they had shot the immigrants because they were talking to the white girl and that they "did not like Arabs."

The economic recession in France, the rise of unemployment and a growing popular sentiment of insecurity has fuelled in the past two years growing racial intolerance in the country. In turn, this has help the rapid rise of the extreme National Front in recent elections.

FAO urges higher Third World prices for farmers

BY JAMES BUXTON IN ROME

THE UNITED NATIONS Food and Agriculture Organisation (FAO) has joined the ranks of those development agencies who say publicly that Third World governments can stimulate food production by paying higher prices to farmers.

In a carefully worded report it says that if prices paid to farmers were increased by 10 per cent, output would rise by between 2 and 5 per cent.

But it warns against thinking that farm price increases alone would be sufficient to achieve sustained growth in agriculture.

The report marks a major change of thinking by the Rome-based organisation. Until recently it has been sparing in its criticism of the agricultural policies pursued by developing countries. It has tended to reflect the views of the vast majority of its member countries that their problems are due to inadequate aid from industrial countries and the unfair division of wealth between North and South.

In 1982 the World Bank broke new ground in saying publicly that many of the problems of agriculture in sub-Saharan Africa were due to the low prices paid to farmers by inefficient state-owned marketing boards. The bank said that governments were often too anxious to satisfy hungry urban populations, and did not care about the incomes of farmers.

The FAO report shows sympathy for developing countries' dilemma between favouring consumers and producers. It says, however, that the holding down of producer prices was more marked in Africa and less so in Asia and Latin America between 1968 and 1980, the period studied.

EUROPEAN NEWS

Mr Kadar: domestic consumption curbed

Hungary to pursue economic reforms

By Leslie Colitt in Budapest

HUNGARY IS to press forward with wide ranging economic reforms, Mr Janos Kadar, the country's veteran leader, told the Communist Party congress meeting yesterday, despite a a drop in living standards for many people in recent years.

In his opening speech to the first East European party congress since Mr Mikhail Gorbachev assumed power in the Soviet Union, Mr Kadar said that domestic consumption had been curbed so hat the country could increase its export earnings in hard currency and so reduce its external debt.

The remarks by the Hungarian leader were closely followed by Mr Grigory Romanov, head of the Soviet delegation to the meeting. Mr Romanov, believed to be an orthodox hardliner, was widely regarded as Mr Gorbachev's leading rival for the post of chairman of the Soviet party.

The choice of him to attend the Budapest party congress was viewed here as a clever tactical move by Mr Gorbachev to expose Mr Romanov to economic reform, albeit a foreign version of it. Hungarian officials see Mr Gorbachev as an ally of their own reform programme launched in 1968.

Mr Karoly Grosz, the new party first secretary in Budapest who is one of several possible successors to Mr Kadar, received rousing applause from delegates when he criticised endless party debates by officials who, he said, should instead circulate among workers and discover what they are thinking. He spoke of widespread "fear of the future" in Hungary.

A report submitted to the congress by the party's central committee said measures were needed to alleviate "social tension" which had arisen from the fall in real wages, but Hungarians following Mr Kadar's remarks, felt that the population should not expect a significant improvement in the standard of living in the near future.

The more than 1,000 Hungarian delegates to the party congress—72 per cent of them men—were confronted with a report by the party's central control commission which amazed East European observers by its openness.

The document spoke of "uncertainties and doubts" among workers over the rising cost of living. While some Hungarians faced "daily financial difficulties," it said that a small group had "become rich" by illegal means. Some 5,000 party members were identified as damaging "socialist morality" by their "avarice."

The careful balance of social and economic achievements with sharp criticism of the party by its members is characteristic of the congress which is expected to confirm Mr Kadar's reforms with some reservations.

Diplomatic rift may follow death of U.S. officer in East Germany

BY OUR FOREIGN STAFF

THE SHOOTING by a Soviet guard of an American army officer serving with the U.S. military mission in East Germany yesterday threatened to blow up into a major diplomatic incident between Washington and Moscow.

The Soviet embassy in Washington said the U.S. officer was shot and killed after being caught red-handed photographing Soviet military equipment. The U.S. State Department said an urgent investigation was being conducted into the incident.

The Soviet Embassy spokesman said that, according to information received from the Soviet military authorities, the officer had failed to heed a sentry's warning shot and had been killed. The Soviet Union had launched a "resolute protest," he added.

The U.S. Defence Department later identified the American officer as Major Arthur Nicholson, aged 37, who had been stationed at the military liaison mission in Potsdam, East Germany, since February 1982. The shooting occurred in or near the town of Ludwigslust, about 160 kms (100 miles) north-west of Berlin and about 50 kms (30 miles) from the West German border, it said.

A statement issued by U.S. army headquarters in Heidelberg said it had learned of the incident only yesterday and talks had started with the Soviet authorities to clarify what had taken place. Western diplomats in Bonn said the fact that the U.S. had waited a day before releasing the news indicated that Washington was treating the incident as very serious and highly sensitive.

The Soviet embassy in Washington said that the officer was in a restricted military installation, and that either he or another U.S. officer accompanying him wore a camouflage suit and carried a camera used to uhotograph combat equipment.

The statement said the U.S. officers entered the area "despite the presence of clearly visible warning signs in Russian and German."

Western diplomats in Bonn said the killing of the U.S. officer appeared to be the most serious incident involving the western missions in more than 20 years.

The U.S. mission is located at Fahrland, near the central East Germany city of Potsdam, in the same area as the British and French military offices.

Western military officials privately describe the work of the missions as "licensed spying," saying their job involves getting as close as possible to Soviet and East German installations to make observations and gather data.

They say their patrols are often shadowed by Soviet military vehicles and there have been occasions in the past when Russian soldiers have tried to force them off the road in order to keep them away from sensitive areas.

Reginald Dale adds from Washington: President Ronald Reagan said "we're resentful and feel it an unwarranted tragedy," but that he was still waiting for complete details of the incident. Mr Reagan was woken up early yesterday morning by Mr Robert McFarlane, the National Security Adviser, who told him of the shooting.

Mr McFarlane told reporters that "right now there does not appear to be any justification for it." The Pentagon said that the two Americans involved in the incident "were probably not armed."

Peter Bruce adds from Bonn: In March 1982 a vehicle driven by a member of the British military mission was shot at by East German border police and the driver injured.

A few days later, 15 km east of Eisenach, near the West German border, a military vehicle belonging to the U.S. military mission was stopped by police, and, when it drove on, shot at.

Later that year Soviet soldiers fired warning shots around another U.S. vehicle in East Germany, when it approached a train loaded with missiles.

EEC farm price showdown delayed

BY IVO DAWNAY IN BRUSSELS

EEC AGRICULTURE ministers yesterday agreed to postpone until next week any final confrontation over the Community's farm price package for 1985-86.

The decision means potentially divisive arguments about the shape of the agreement will not be allowed to spill over into the crucial heads of government summit on Spanish and Portuguese entry to the EEC due to begin next weekend.

It also frees Mr Frans Andriessen, the Farm Commissioner, to prepare compromise proposals on outstanding enlargement issues — notably wine and fisheries—needed before meetings of foreign ministers and country delegations on Thursday.

Technically, the farm ministers have to reach a deal on the annual price fixing before April 1, when the Community's agricultural year officially begins. But, in practice, the rule is honoured more in the breach.

Although there is little in this year's farm prices that should disturb the talks on the Community's enlargement, the presidency—currently held by the Italians—is determined that nothing can be allowed to upset the negotiations, now at their critical final stage.

Past precedent has shown that member states are often prepared to make agreement on a farm prices package conditional on favourable treatment in totally unconnected sections.

As a consequence, Sig Filippo Maria Pandolfi, Italian president of the Farm Council, yesterday outlined an agenda to his colleagues that ensures the hard bargaining will take place next week in Luxembourg. The ministers will first outline their positions on the European Commission's proposals—which involve a 0.3 per cent cut in European Currency Unit prices but a 0.1 per cent rise in national currencies.

These are known to be broadly supported by the UK, the Netherlands and France but opposed vigorously by West Germany, which objects to a 3.6 per cent cut in cereals prices, and Italy and Greece, which dislike similar reductions for fruit and vegetables.

There will then be a series of bilateral discussions between the presidency and individual states in a bid to assertain their fall-back positions. From this round of talks, it is expected that a presidential compromise will be drawn up for tabling on Monday. Talks are then expected to continue throughout most of next week.

Subsidy demands put steel plan at risk

BY PAUL CHEESERIGHT IN BRUSSELS

THE combined approach of the European Community nations to restructuring the steel industry is at stake today when industry ministers meet in Brussels to discuss demands from France and Italy for subsidies beyond those already authorised.

Ministers have before them a proposal from the Commission which would permit governments to ask for more subsidies within a specific period. Such demands should have finally been notified by mid-1983. Subsidy approvals have been linked to capacity cuts and a financial plan for corporate viability by the end of 1985.

But West Germany has consistently linked the grant of new subsidies to either further cutbacks in capacity — that is, more than the Commission had demanded in June 1983—or to an increase in production quotas for companies which are not being subsidised.

Industry ministers tackled this question at meetings last November and December without being able to find a compromise between the two positions. France and Italy do not want to make more cuts than they have already planned.

The fear is that, unless a solution is found, France and Italy will go their own way, while West Germany will register its disapproval by slapping a border tax on the products of those companies receiving subsidies over and above the levels already agreed.

France and Italy would thus be at loggerheads with Community law, while the German response would split the integrity of the market.

At the same time this running dispute would prevent any serious consideration of what should happen after the end of 1985 when all subsidies to the steel industry ought to stop and the conditions of the free market return.

Talks leading up today's meeting of ministers have not led, it appears, to any fundamental change of position.

The Commission has linked the question of restructuring subsidies to the question of operating subsidies. These should have stopped at the end of 1984, but the Commission, because of the battered financial state of most EEC companies is prepared to see them extended until the end of this year.

Poles to seek 'understanding' with creditors

By Margie Lindsay, recently in Warsaw

POLAND requires only a general promise of new credit from its half-dozen main West European trading partners, rather than specific commitments from all its 17 Western creditor governments, in order to finalise the agreement rescheduling $12bn of 1982-84 debt, a senior Polish official has indicated.

Mr Zbigniew Karcz, head of the Finance Ministry's international department and chief negotiator at the Paris talks with Western governments, said Poland just wanted an "understanding" on new Western trade credits.

He was speaking in an interview in Warsaw on the same day that Herr Martin Bangemann, the West German Economics Minister, announced that Bonn would provide some fresh credit, but only after Poland formally signed the 1982-84 debt rescheduling agreement negotiated in January. He indicated the amount would be much less than the $450m Poland had requested from West Germany this year.

Mr Karcz cited West Germany, Britain, Austria and Italy as the main Western countries from which Poland wanted a signal of new credit. The Polish Government would like a speedy conclusion to the Paris debt talks, which also cover unresolved 1981 debt arrears, because they are holding up Poland's entry into the International Monetary Fund.

Christopher Bobinski adds from Warsaw: A semi-official Polish report analysing the performance of the economy last year has concluded that shortages of hard currency for imports are not the most important factor limiting growth in industrial production.

The autonomous Consultative Economic Council (KRG) makes a case for dismantling central controls over the economy and says that the key problem is the failure in "rationally allocating labour, raw materials and machinery."

This conclusion goes against official claims that a growth in hard currency imports fuelled by Western trade credits will lead to industrial growth

Norway to set up oil revenue 'buffer' fund

BY FAY GJESTER IN OSLO

NORWAY'S Conservative-led coalition has reaffirmed it will establish a petroleum revenue "buffer" fund, in order to shield the economy from fluctuations in offshore activity and oil and gas price levels. But the fund's reserves will not necessarily be invested abroad, as ensivaged by the royal commission which first proposed such a fund two years ago.

The Government's political and economic programme for the coming four years recommends that petroleum revenue should be kept separate from other government income

The idea is that the fund's very existence would act as a brake on the use of oil revenue, since the latter would no longer be flowing straight into the general kitty. Resources accumulated in a petroleum fund would, however, be invested "in the same way as other state means."

For the "mainland economy," excluding offshore oil and gas, the programme foresees GNP growth of 2.5 per cent per year in the four year period.

It expects employment to rise by 0.7 per cent per year between now and 1989, with a big increase in service sector jobs (totalling 60,000 man years) more than offsetting the likely loss of jobs in fishing and farming (6,000 man years) and in industry/construction (5,000 man years).

OVERSEAS NEWS

Iran, Iraq step up attacks on civilian targets

BY OUR MIDDLE EAST STAFF

BAGHDAD was struck again yesterday by another huge explosion—almost certainly the result of a further ground-launched missile — as Iran resumed attacks against Iraqi centres of civilian population.

The explosion was in retaliation against continued Iraqi attacks on its urban centres and oil traffic in the Gulf, a statement by Tehran's official Islamic Republic News Agency said yesterday.

Iran, apparently in good faith, had announced early on Sunday that it had decided to stop shelling Iraqi cities and villages following a brief lull in reciprocal assaults on population centres at the end of last week. But Iraqi attacks on two oil tankers in the area of Kharg Island a few hours later wrecked any chance of a limited detente in the 54-month-old conflict.

Amidst every indication that Iraq is trying belatedly to press home the advantage of its air supremacy, Iran claimed that its *forces had shot down three* Iraqi aircraft over Kharg Island yesterday. The official news agency Irna said that they had been *hit by fighter aircraft* and ground fire.

Earlier an Iranian official statement reported that two Iraqi aircraft had raided Tehran "firing rockets and breaking the sound barrier over the city." They were said to have fired three rockets "in *a desolate area of the city*" before flying away under heavy anti-aircraft gunfire.

The Baghdad blast—the fifth in 11 days—was heard at about 4 am local time, about three quarters of an hour before the reported Iraqi raid on Tehran. Reporters in Baghdad said they were unable to locate the scene of the explosion.

The Iranian War Information Headquarters said in a statement broadcast by Tehran Radio: "We targeted our missile at the heart of Baghdad before dawn in order to warn the adventurous Iraqi regime once again and force it to stop attacks and destruction of residential areas, ships and commercial flights."

The Iranian ground-launched missiles are generally believed in Western and Arab military circles to be Soviet-built Skud Bs, carrying a warhead of some 1,000 pounds of explosive and with a range of about 200 miles.

Speculation is that the most likely sources of this relatively unsophisticated weapon, possessed also by Iraq which is reported also to have the longer-range SS-12, would be Libya, Syria or North Korea.

Agriculture loan for Egypt

BY TREVOR MOSTYN IN CAIRO

THE African Development Bank group is lending Egypt $158m over the two years 1985-1986, as part of a programme which is focusing on agriculture against the background of severe famine in Africa.

Mr Wila Mung'omba, *the* chairman, says the drought in Africa will have priority at the Group's annual meeting in *Brazaville in May*. His discussions here have been dominated by the issues of water shortage, the low level of the Nile and the need for increased electric power.

Since the Group began operations in 1974 it has loaned Egypt about $223m, 42 per cent of which has gone to industrial projects and a mere 8 per cent to agriculture. Projects within the current programme will include a drainage system in both Upper and Lower Egypt.

Australian plan for oil bidding attacked

By Michael Thompson-Noel in Perth

MR Brian Burke, the Labor premier of Western Australia, yesterday criticised federal government plans to introduce cash bonus bidding for Australian offshore oil exploration areas as "inappropriate and undesirable."

The cash bidding system, due to be introduced shortly in five promising areas of the Timor Sea, off northern Australia, is being vigorously opposed by the Australian oil industry. The industry says the system wil stifle exploration spending

Mr Burke's comments are bound to be noted by Mr Bob Hawke's federal Labor government in Canberra, whose political fortunes have sagged since Australia's general election three months ago.

Mr Burke told the annual conference of the Australian Petroleum Exploration Association (Apea) in Perth that the proposed cash bidding system was an unacceptable means of raising government revenue.

"The present oil glut and softness in the international market for oil should not blind us to the urgent need to find more oil," said the Premier. "Last year, oil produced in Australia saved us more than A$5.5bn *(£3.3bn)* in foreign exchange. But those savings can only be maintained if there are sufficient commercial discoveries."

He said that cash bidding, *which involved* cash payments, would discourage wildcatting. This was of great concern to Western Australia *which had by far the greatest* acreage of prospective exploration areas.

Apea says that if offshore exploration is not encouraged, Australia could find itself importing around 100m barrels of crude oil annually by the mid-1990s.

S. African blacks return to work

BY ANTHONY ROBINSON IN JOHANNESBURG

HUNDREDS OF workers from the riot-stricken black township of the eastern Cape streamed back to work yesterday after 10 days of violence which has increased pressure on the Government to step up the pace of reform and tighten police discipline.

In a speech at the University of Natal, Dr Frederick van Zyl Slabbert, leader of the white opposition Progressive Federal Party (PFP), said that the wave of unrest was not just mindless violence but the sign of determination on the part of blacks no longer to suffer apartheid.

"The ever increasing frequency of unrest is a sign that the strong arm response of *Sharpeville of* 1960 and Soweto of 1976 can no longer secure even temporary peace," he said.

"It is a sign of depth of leadership and organisation that will not be silenced by bannings nor bluffed by vague statements of good intentions."

Meanwhile, President P. W. Botha has indignantly rejected opposition *demands for* the resignation of Mr Louis Le Grange, the Minister of Law and Order, characterising such demands as an attack on the police.

The President has also come under attack from leading academics for the way in which he handled a recent television interview on the ABC nightline programme.

Professor Willem *Kleynhans* a leading Afrikaner political scientist said the President had missed a golden opportunity to explain his reformist policies to a U.S. public and instead came across as a "filibustering *strongman.*"

In the interview President Botha told interviewer Ted Koppel the day after the Sharpeville anniversary shootings that he had the support of the majority of blacks and was determined to maintain law and order.

Reuter *adds from* Johannesburg: South Africa can expect repeated attempts to foment unrest because political reforms remove the basis for revolutionaries to bid for popular support, state-controlled Radio *South Africa said yesterday.*

In a daily commentary which reflects government thinking, the radio station said some of the violence would be directed at the police and must be firmly handled.

Francis Ghiles on economic prospects after the riots of a year ago

Tunis tones down its rash promises

MR MOHAMED M'ZALI, the Tunisian Prime Minister, whose image was severely battered along with that of the whole *ruling* elite by *the riots of* a year ago, has staged a remarkable recovery.

The rioting, in which 120 *died, was blamed on M Driss* Guiga, the then Interior Minister, who was dismissed and tried in absentia for high treason. *Thus, Mr MZali has rid* himself of one rival, but such is the internecine jockeying for power evident in Tunisian politics, he has gained two more in the process.

One is the head of the security forces, General Zine El *Abidine Ben Ali, the other is* the man to whom Gen Ben Ali reports, Mr Habib Bourguiba Jr, son of the 84-year-old President of the country.

The problems the country faces and who is to deal with them when President Bouguiba is no longer in power are the subject of endless intrigue in Tunis, but outside the capital Mr MZali has been receiving a warm welcome from his countrymen. He has also been making some attempt to address Tunisia's economic difficulties.

He is trying to encourage investment in the much neglected farming sector and is actively promoting economic co-operation with Algeria, which can only help Tunisian manufacturers hit by recession and protectionism in European markets.

He has been less inclined to make rash promises: the days are gone when 30 per cent increases in the basic wage were granted with no promise of higher productivity from the trade unions. Last year there were no wage increases despite an inflation rate unofficially estimated to be above 10 per cent.

The country's economic performance has in many ways helped the Prime Minister. Gross Domestic Product increased by 4.8 per cent in 1984, less than the 5.4 per cent predicted by the planners, but slightly better than what was achieved in 1983. Output increased in the farming, building and manufacturing sectors but declined in those most important for trade—chemical industries, textiles, crude oil and tourism.

M'Zali: remarkable recovery

The labour market also suffered: only 41,000 new jobs were available against the planner's forecast of 54,000, not good news in a country where at least one-quarter of the working population has no job or is severely under-employed.

Investment targets have been overshot however, by about *10* per cent since the Five Year Development Plan (1982-86) was launched. Dinars 5.08bn (£5.26bn) have been invested, of which around 20 per cent originates from the Middle East.

Some of this Arab money is being channelled by the recently *set up Tunisian Arab* development banks towards large prestige projects, notably in the field of tourism and real *estate. Mr Ismail Khelil,* the highly articulate Minister of Planning, voiced strong opposition to some of the projects, *particularly the Tabarka tourist* resort in northern Tunisia at a time when money is tight, but Mr Khelil belongs to a *breed of which there are too* few in the Tunisian Government today. Last June, he sent the Cabinet a very cautious *economic forecast and* was rapped over the knuckles for his pains.

There is little doubt that the continuing recession in the West, the probable entry of Spain and Portugal into the EEC, which will further hit Tunisian exports, and the powerful dollar leave little room for manoeuvre.

Mr MZali's active *support for* the policy of rapprochement with Algeria may help to some extent. Earlier this month, *accompanied by his Algerian* counterpart M Abdelhamid Brahimi, he laid the foundation stones of a number of joint *ventures.*

The two countries have gone one step further and are now buying their coffee, sugar and tea together.

Problems with the dollar are affecting Tunisia's foreign debt. A very *reasonable Dinars 3bn,* the cost of servicing it amounts to just under 20 per cent *of* foreign income. But because two *thirds of it is denominated in* dollars, Saudi rials and Kuwaiti dinars, the rise in the dollar will increase these costs this year by about one fifth.

Greater worry centres on the external account. A trade *deficit of $1.2bn and a shortfall* on the current account of $709m are increasing in dinar terms and all projections point to *further deterioration.*

On the political front the Government faces two daunting *problems:* the rejuvenation of the ruling Socialist Destour Party and the reduction of the insidious rise in corruption.

The first, a daunting task, has been entrusted to a widely respected man, Tunisia's former ambassador in Algiers, Mr Hedi Baccouche. *To succeed, he will* probably require a minor miracle. No student on the capital's much troubled university campus dare admit he belongs to the PSD for fear of attacks from Moslem fundamentalist or Left-wing sympathisers, and opposition party members are also increasingly subject to beatings from unknown thugs.

Tunisia still boasts a competent civil service but too many heads of state companies and other senior officials have *in recent* years been appointed on grounds which are not those of competence alone. Instability in the tenure of such jobs is *neither* encouraging bright young Tunisians to run for them nor is it helping those who hold them from respecting the high *standards* of honesty which were, for many years, one of the hallmarks of President Bourguiba's regime.

Last year's riots constituted a severe warning to the ruling elite. Despite the apparent approval Mr M'Zali has gained, the deeper feelings of the people are difficult to fathom, and the succession intrigue is continuing. It is not clear whether the hard thinking that the riots suggested was needed is being done. Perhaps, indeed, this will not be possible while President Bourguiba is still alive.

India to adopt tough line on loss-makers

By John Elliott in New Delhi

A TOUGH line will be taken by the Indian Government against managers and financial institutions involved in companies which become serious loss-makers, or "sick units" as they are known in India.

Managers are likely to be refused financial assistance from state-owned banks for new ventures and "penal provisions" *may be used to deal with* owners, manager and banks held responsible for the losses.

There are several thousand sick units in the country including over 460 large loss-makers with debts exceeding Rs 10m (£700,000) and they have become an increasing drain on the country's resources. At the end of June 1983 their outstand*ing* debts totalled Rs 19bn according to government figures.

The tough line is part of the attempt by Mr Rajiv Gandhi, the Prime Minister, to reform industry by cutting back on protectionism and official controls and by encouraging managers to adopt competitive attitudes.

"We must make penal provisions to deal with managements, financial institutions and others involved in making the *businesses sick.* We will make it very expensive to go sick," Mr Gandhi told a conference *of the Association of Indian* Engineering Industry in Delhi at the weekend. Some businesses in outdated labour-intensive industries "must be allowed to die," he said.

This added Mr Gandhi's authority and commitment to a statement in India's annual budget speech a week ago. "Those who are deemed to have mismanaged the unit will not have access to assistance from financial institutions, even in new ventures. Bad managers, like bad currency, have to be kept out of circulation," said Mr Vishwanath Singh, Finance Minister.

The policy will be spelt out soon and will include new legislation. Mr Singh said in his budget speech there would be a board for financial and industrial reconstruction to help companies merge and sort out other solutions for *ailing businesses.*

Managements of companies whose losses have eroded half of their net worth would have to seek a fresh mandate from shareholders. And when a company lost its entire net value, the existing owners and managers would be removed from running the business.

Taiwan budget foresees expanded development

BY BOB KING IN TAIPEI

TAIWAN'S Cabinet has sent to Parliament a record new Taiwan $412.5bn (£9.6bn) budget for the fiscal year beginning July 1 which contains significant allocations for major infrastructure projects.

More than 39 per cent of projected expenditures — about NT$161.3bn—is earmarked for foreign affairs and military spending, reflecting Taiwan's preoccupation with *China* and Taiwan's diplomatic near isolation. Last year's budget contained a similar percentage for defence and *diplomacy.*

The next largest allocation, about NT$78bn for economic development and communications projects, provides for the first in a six-year series of allotments totalling NT$800bn for the 14 major projects aimed at upgrading the country's infrastructure.

The budget allocates NT$19.1bn for the start-up of some of the 14 projects. Another NT$33.5bn will come from the coffers of state enterprises during the year. Purchases of foreign equipment and services will account for a sizeable percentage of the NT$800bn total, and European suppliers should be able to win a share of the contracts.

A major component of the projects will be a nuclear power plant worth more than US$4bn (£3.3bn). Taipower plans to spend about US$12.6bn on foreign equipment purchases over the next 10 years.

Another project, the Taipei rapid transit system, will be worth at least US$400m to foreign suppliers.

Other multi-million dollar projects include airport and *harbour expansions, construc*tion of liquefied natural gas storage and transportation systems, digital telecommunications *systems, improved rail* links, and the upgrading of medical facilities throughout the island.

The Government has allocated NT$51bn for education, science and culture. That figure, which accounts for 12.3 per cent of total outlays, is up 24 per cent on last year.

The budget contains a deficit of NT$37bn, which will be met by the i ssuance of NT$25bn in treasury bills and NT$12bn from budget surpluses in previous years.

In past years, parliament has approved Cabinet-proposed budgets with only minor cuts.

Reuter adds. The South Korean Government said yesterday the crew of a Chinese torpedo boat towed into port on Saturday wished to return home, and refused to allow Taiwanese officials to see them.

The high-speed 40-ton hydrofoil drifted into South Korean waters after an armed clash on board in which six crewmen were killed and two injured.

AMERICAN NEWS

Reagan ready to talk on cuts in defence

By Reginald Dale, U.S. Editor, in Washington

THE WHITE HOUSE has signalled its willingness to discuss minor cuts in defence spending in budget negotiations with Republican Senate leaders this week. It is far from clear, however, that the offer will be enough to reach a compromise with the Republicans, who are demanding a freeze on real defence spending in the coming 1986 budget year.

Mr Donald Regan, the White House Chief of Staff, said that cuts might be found by eliminating waste or stretching out purchases of "non-strategic" items like ammunition, food and oil supplies. He again insisted, however, that there could be no compromise on the nation's security and that major strategic and conventional weapons systems must be left untouched.

President Ronald Reagan, who had sought a 6 per cent real increase in defence spending next year, would consider possible cuts in specific programmes rather than trying to set a target for overall cuts, Mr Regan indicated. Mr Caspar Weinberger, the Defence Secretary, while still opposing any further cuts, would go along with them if necessary, like "a good soldier," he said.

The White House and the Senate Republicans nevertheless remain far apart on their budget approach, with the White House also continuing to insist that it will not freeze social security cost of living increases, as the Republicans have urged.

The White House's immediate priority on the defence front, however, is to save Mr Reagan's MX missile, one of the key elements of his strategic build-up, in hard-fought votes in the House of Representatives this week.

With the first of two key votes due today on House approval for $1.5bn to build 21 more missiles to continue the programme, both sides continued their intensive efforts to sway wavering members.

Meanwhile, a group of 23 influential liberal and centrist democrats in the House sent a letter to Mr Mikhail Gorbachev, the new Soviet leader, warning that Soviet failure to comply with existing arms control agreements would risk "serious consequences for the future of arms control."

Mexico agrees terms with IMF on austerity plan

BY DAVID GARDNER IN MEXICO CITY

MEXICO HAS reached agreement in principle with the International Monetary Fund (IMF) on the terms of the third and final year of the austerity plan put in place in November 1982, shortly after the country's financial collapse.

Mexico's Letter of Intent, sent on Sunday night, had been held up primarily because of IMF concern that the public sector was not being reduced fast enough. Last year's Letter of Intent had been signed at the very beginning of the year.

The letter is expected to be approved by the Fund's board next month, releasing a further $1.2bn (£847m) in Special Drawing Rights, and clearing the way for Friday's signing in New York of Mexico's multi-year restructuring agreement for $48.7bn of public sector foreign debt.

The agreement reflects what appears to be a compromise on the deficit, based partly on using a different method to calculate it and partly on a cut in its overall size.

Last year's deficit, targeted at 5.5 per cent of GDP within the IMF's accord, is given as 6.2 per cent, having first stripped out an additional 1.2 per cent classified as "financial intermediation" or subsidised lending by state development banks to the private sector.

Such lending accounted for only 0.2 per cent in the 1983 deficit of 8.7 per cent of GDP. Thus, the "economic" or structural deficit can be said to have come down by more than two points.

A further two point fall is envisaged for this year. The Government initially wrote a 5.1 per cent deficit into the budget against an IMF-agreed target of 3.5 per cent; 4.5 per cent of this was "economic" deficit and 0.6 per cent "financial intermediation." The economic deficit is now set at 4.1 per cent of GDP, following major cutbacks in spending and tightening of public sector finances in the past two months, while the ceiling on subsidised lending has been brought down.

Last year's deficit overshoot was largely attributed to high domestic interest rates caused partly by higher than expected inflation, down from 80.8 per cent in 1983 to 59.2 per cent but missing the targeted 40 per cent. There is no mention of this year's now unattainable target of 35 per cent. Instead there is simply a commitment further to reduce inflation.

Mexico also commits itself to a return to the markets to refinance maturing debt (with a $1bn net foreign borrowing ceiling this year); to maintain a realistic exchange rate and further reduce or lift subsidies and price controls; and to introduce, probably in the next 10 days, a far-reaching trade liberalisation programme.

The letter reports preliminary balance of payments results similar to 1983's with a trade surplus of $13bn, a current account surplus of $4bn, and an increase of reserves of $3bn. Growth this year is expected to be between 3 to 4 per cent against last year's official 3½ per cent.

● President Raul Alfonsin of Argentina arrived in Mexico yesterday for a three-day state visit expected to be dominated by talks on debt, trade and regional co-operation, and the conflict in Central America.

List of corrupt police

THE U.S. Drug Enforcement Agency has drawn up a list of hundreds of Mexican police thought to be on the payroll of a reputed drug trafficker, according to hte U.S. magazine Newsweek, AP reports from New York.

U.S. agents contend that corruption extends to the highest ranks of the Mexican federal judicial police and the Directorate of Federal Security, according to the magazine.

The DEA blames Mexican corruption for the slaying of Sr Enrique Camarena Salazar, a DEA agents whose body was found earlier this month on a ranch east of Guadalajara, Mexico.

The payments to hundreds of police were said to come from Sr Rafael Caro Quintero, whom U.S. officials called the enforcer among four criminal leaders who head a consortium called La Familia (the family).

IDB chief warns of unrest in L. America

By Peter Montagnon in Vienna

AN UNEXPECTEDLY outspoken warning over the danger of recession leading to social unrest in Latin America has come from Sr Antonio Ortiz Mena, president of the Inter-American Development Bank.

"We cannot ignore some highly alarming signs already in evidence," he told the Bank's annual meeting yesterday. Social welfare and social security are still too weak to cushion the undesirable effects of the recession. "Prolongation of this state of affairs may have explosive consequences."

Sr Ortiz Mena said that in many Latin American countries per capita income is stuck around the level of 10 years ago. In some it has fallen to that prevailing a generation ago.

In a substantial number of countries workers' earnings have lost up to 40 per cent of their purchasing power and in some of them 25 per cent of the workforce is unemployed.

"Endemic diseases, which had been eradicated at great cost 10 years ago, are reappearing, particularly in the Central American region," he said.

Sr Ortiz Mena said the economic adjustment efforts undertaken by Latin America over the past three years have reduced government spending and directed resources towards activities which increase production and exports. Social infrastructure projects have been postponed.

Latin America now needs to rekindle economic growth with social justice. "That is the greatest challenge and the boldest undertaking confronting each Latin American country and the region as a whole."

The IDB itself is presently considering adjustments in its operating policies to permit more active support of social infrastructure projects, Sr Ortiz Mena said.

Reviewing its activities over the past year he noted that the Bank had kept to its total lending targets, but had failed to reach the 50 per cent minimum target for financings designed to benefit the low income sectors of the population.

NEI seeks extension on contract for Indian power station

BY JOHN ELLIOTT IN NEW DELHI

NORTHERN ENGINEERING Industries (NEI) of the UK has asked for a six- to nine-month extension, plus £12m compensation, on its five-year £230m contract to build a 1,000 MW power station at Rihand in Northern India.

It fell up to nine months behind schedule on the contract last year and has so far failed to make up any of the lost time. This is causing concern to its client, India's National Thermal Power Corporation (NTPC).

There is likely to be a dispute over the cause of the delay. Because of this, NEI has felt legally compelled to lodge the compensation and extension claims to offset a clause in the contract which levies damages for late delivery.

"We want an extension for the length of delays. . . . We are six months behind schedule and have included an extra claim of three months as a float," says Mr B. N. Baliga, resident director of NEI projects (India) in New Delhi.

NEI's first turbine boiler should have come on stream in March 1987, but is now expected in September. A second turbine launch will be six months later than its December 1987 planned date.

The NTPC was upset when it received the claims but informal talks have recently taken place to resolve the matter.

Problems first arose in 1982 soon after the contract was signed because of complexities connected with implementing a turnkey contract which involved building a British-style power station in India.

NEI has complained of delays in obtaining approval of specifications for the boilers, high pressure piping, boiler feed pumps, structural steel, turbo-generators and control instrumentation.

But NTPC has argued that NEI took too long to begin work, that it did not understand Indian conditions, and that it delivered its proposed specifications late.

Mr S. Venkataraman, who was secretary of the Ministry of Power and is now Finance Secretary, visited London in September 1984, when he was in Europe on other business, to stress India's concern over the delays.

The British Government is providing aid of about £110m. Other major UK suppliers, acting as subcontractors to NEI, include GEC and Babcock.

China, Fiat subsidiary set to sign van pact

By James Buxton in Rome

IVECO, the industrial vehicle subsidiary of Fiat, will tomorrow sign a major agreement with China for the production of vans in a plant at Nanking.

Iveco's share of the contract totals about $260m (£236m), but the total value of the project is put at $450m-$500m, most of which will go to Italian companies.

Iveco won the contract in the face of competition from Mercedes Benz of West Germany, and from companies in the U.S. and Japan. The Italian Government has agreed to lend China $50m, half of it at 9.95 per cent and the remainder at only 2.5 per cent.

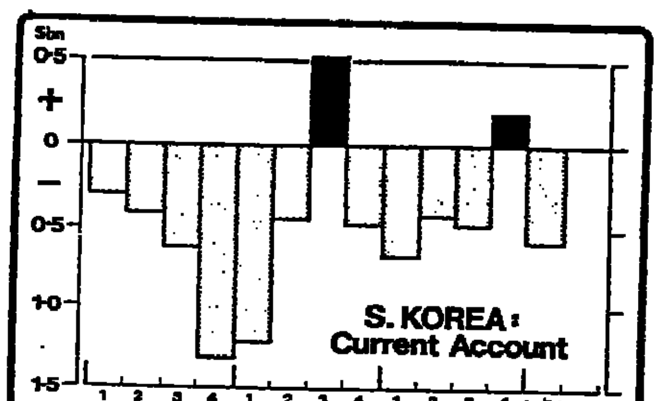
Under the contract, Iveco will give the Chinese authorities the licence and technology to produce 60,000 "Daily" vans and 80,000 engines per year.

Half the $260m contract involves the supply of plant "know-how" while the remaining 50 per cent concerns the supply of components.

Negotiations for the contract have been under way in earnest since 1979, but until now, the stumbling block has been the question of financing.

Business leaders are urging Seoul to balance its books, Steven B. Butler reports

Concern grows over S. Korea exports fall



The South Korean Government denial that it would seek a devaluation of the won, underscores its determination to wait out the latest deterioration in the country's current account deficit, which registered $594m in the first two months of the year against hopes of no more than $700m for the entire year.

The announcement comes amid intense public concern over the sharp decline of Korean exports. Korea needs a high volume of exports to provide foreign exchange to pay back its huge foreign debt, which reached $43.1m at the end of 1984, and to keep economic growth at an acceptable level.

In the first two months of the year, exports on a customs clearance basis fell 15 per cent compared with the same period last year, while arrivals of letters of credit declined 10.4 per cent. On a balance of payments basis, the export situation shows a more modest decline of 4.4 per cent but the trend is clear.

Business leaders are demanding strong measures to counter the decline, ranging from a single 5-10 per cent devaluation of the won, to expansion of the money supply to reduce their financing costs.

All major categories of exports have fallen with the exception of electronics. The customs clearance figures show that exports of ships plunged 71.5 per cent, steel fell by 24.9 per cent, footwear by 17.8 per cent, and textiles, the nation's largest export item, by 4.3 per cent.

Export volume to the U.S. and Japan, South Korea's major markets, has been flat compared with last year, but exports to the Middle East and Europe fell by 27.5 per cent and 20.2 per cent respectively.

Businessmen are blaming in part the high cost of Korean goods caused by the relative strength of the currency. Until March 11 this year, the won had declined 4 per cent against the dollar, but had appreciated 1.7 per cent against the Japanese yen, 5.8 per cent against sterling and 5.4 per cent against the D-mark.

The value of the won is currently determined by a weighted average of a basket of currencies. The exact weighting has never been made public, but the Finance Minister said the Government had no intention of changing the weights.

Some Government officials expect the export picture to brighthen in coming months. Mr Koo Bohn Younu, a senior economist with the Economic Planning Board, said the $462m decline in ship exports results in part from delivery schedules, which are shortly expected to pick up, and from new statistical procedures which count most ship repairs as invisible trade.

There is also an expectation that steel exports may increase again after steel manufacturers complete quota arrangements among themselves for export to the U.S., which has recently imposed limits on South Korean steel imports.

Mr Koo said he expects exports to finish slightly ahead of 1984 in the first half of the year, and increase rapidly in the second half as the country begins to export video cassette recorders and cars in volume. Technological agreements that prohibited exports of VCRs will expire this spring.

The 1958 figures are also somewhat distorted by the 39 per cent spurt in exports in January and February last year. The February 1985 current account deficit of $88m is a great improvement over January, and Government officials say the deficit will continue to decline.

If exports do not pick up, says Mr Koo, the Government would seek some relief by allowing marginally greater inflation or devaluing the currency. "Devaluation is the easiest way out," he said. Business leaders are calling on the Government to raise its monetary growth target for M2, the broad measure of money supply, some 9.5 per cent to around 13 per cent.

Mr Koo stressed however that two months of statistics do not allow enough time to determine the cause of the decline, and could not provide the basis of any major change in policy.

Earlier in the month the Government announced a package of measures to improve the current account. They include a restoration of the level of export financing to the point it had been at before being eroded by the appreciation of the U.S. dollar, improved financing for the purpose of domestically produced machinery, and a campaign to encourage more efficient use of domestically produced raw materials.

These measures included some symbolic gestures, such as requiring assistant Cabinet Ministers to travel economy class. "We should all be moderate spenders," says Mr Koo. "Savings remain the most important task we face to reduce our current account deficit."

Oil companies to bid for China contracts

THIRTY-EIGHT foreign oil companies have qualified to bid for China's offshore exploration contracts in a second round of bidding, the China National Offshore Oil Corporation announced, AP-DJ reports from Peking.

The 15 U.S. companies include Exxon, Chevron, Texaco and Occidental, the official Xinhua news agency reported.

Philips to market data network in Japan

BY LAURA RAUN IN AMSTERDAM

PHILIPS, the Dutch electronics group, is establishing a joint venture with Kyocera, the Japanese maker of ceramics for electronic components, to market Philips' Sopho-Net communication network in Japan.

Kyocera, which also is heavily involved in office automation, and Philips each will have a 50 per cent stake in the new Tokyo-based company to be called Kyocera and Philips Data Communication Network.

Sopho-Net is a wide-area communication system that links computers and peripherals and manages the information flow between them.

Since launching Sopho-Net in 1983, Philips has described interest as encouraging, noting a Belgian Railways order for an electronic reservation system and a contract from Lloyds Bank for a communication network.

The Dutch company views Sopho-Net as a promising way of exploiting the growing office-automation market by interfacing with other brands of computers while providing high value-added software.

In setting up a Japanese joint venture, Philips is expanding its presence in a country usually considered the arch-rival in high-technology electronics.

The Eindhoven-based company conceded that it "needed a competent partner for introducing Sopho-Net to large Japanese companies and . . . to adapt the network to local requirements."

The Japanese market for wide-area communication networks is estimated at Fl 1bn (£243m) out of a worldwide total of Fl 10bn, according to Philips.

Philips initially will supply both hardware and software while Kyocera will provide local management and software expertise.

Canada in drive to step up trade with Taiwan

BY BOB KING IN TAIPEI

CANADA HAS set in motion a drive to increase its presence in Taiwan—one that officials hint could eventually culminate in the establishment of an unofficial representative body such as the U.S.'s American Institute there.

Earlier this month, a high-level Canadian trade delegation visited Taiwan and signed a mutual agreement to promote trade ties between the two nations.

Signatories were the Canadian Chamber of Commerce (Ottawa) and the Chinese National Association of Industry and Commerce (Taipei).

The two sides agreed to promote trade, investments and economic and technical co-operation; to establish channels of communication; to work towards the removal of trade barriers, and to exchange information on the promotion of economic and trade ties.

Mr. H. E. Wyatt, vice-chairman of the Royal Bank of Canada, led the Canadian delegation, which also included representatives of Canadian Pacific Airlines, the Asia-Pacific Foundation of Canada, Alcan Pacific, Northern Telecom (Asia), and other organisations.

Mr Mark Bielarczyk, general manager of the Royal Bank of Canada's Taipei branch, said the agreement reflects "the recognition by Canadian businessmen of the market here and of the need actively to pursue that market."

He also called the accord a step toward the establishment of an unofficial Canadian trade office in Taiwan, possibly within the next 12 months.

Canada broke off diplomatic relations with the national Government of Taiwan in 1970.

Worry over possible complaints from China, where Canada was seeking to develop trade, has hindered the development of substantive ties with Taipei which Peking still considers an errant province of the People's Republic.

Canada last year was Taiwan's fifth largest trading partner behind the U.S., Japan, Hong Hong and West Germany.

Nepal to allow foreign groups to drill for oil

BY DOMINIC LAWSON

NEPAL is to open up its land for exploration by the international oil industry. No wells have ever been drilled in Nepal although numerous seeps of gas have been reported.

The tender of 10 exploration leases of about 5,000 sq kilometres each cover the entire southern part of the country

Nepal has recently formed new laws covering the exploration for and development of oil and gas, in order to make the area more attractive to the international oil industry.

The opening date of the first Nepalese licensing round is April 9, and bids must be submitted by October 15 this year.

The Nepalese Department of Mines and Geology is holding meetings this month in London, Houston and Katmandu, designed to inform the oil industry of the prospects for hydrocarbon discoveries.

The Department of Mines and Geology, with the help of a loan from the World Bank, recently carried out a geophysical and geological survey of the areas to be licensed, and this showed geological structures worthy of exploration.

Mr Jhumermal Tater, Deputy Director-General of the Department of Mines and Geology, said there were structures which could contain between 300m and 700m barrels of oil.

Mr Tater conceded that the world surplus of oil meant the oil industry was not currently in a phase of aggressive exploration for new reserves.

But he added: "If the oil industry started today to drill in our country it would be many years before Nepalese oil came on to the market."

Nepal currently imports about 5,000 barrels of oil a day for internal consumption by its 16m inhabitants. The oil is mostly bought from the Middle East and refined in India.

The presentation in London last week by the Nepalese Department of Mines and Geology was attended by a wide range of UK oil companies, including Shell, Britoil, Lasmo and Premier Consolidated Oilfields.

● Cluff Oil, the UK independent oil company, has signed a 20-year oil exploration agreement with the Government of Barbados.

Cluff will begin seismic surveys of a 400 sq mile area of the north-east coast of the country in the next two weeks, Mr Bernard St John, the Prime Minister of Barbados, said.

London Galleries/William Packer

Some open and shutter cases

We are all amateurs of the camera in some sense, active or passive, although some of us admittedly are more amateur than others, whether snapping busily away on our own account or as mere grateful recipients of seductive, insistent, questionable images. For the camera itself is a familiar, useful social tool, and we know well enough it never lies; its supposed inherent veracity has been taken quite for granted since it was invented. Certainly, the photograph is the commonplace of all modern visual communication and record and something we no longer think about enough to question.

Yet only by the camera's agency do most of us ever achieve anything like a truly personal creative expression; and it is perhaps the nicest paradox of photography that at its most objective, its least arty and self-conscious, it approaches most closely the condition of Art: that by the intervention of Art it reaches closest to truth. Those old arguments, so well rehearsed, may for the moment pass us indifferently by, but they are not altogether beside the point and two current exhibitions do push them forward, if only by a little.

At the Photographers' Gallery, 8 Great Newport Street, London (until April 13) there is a retrospective of the work of Bert Hardy, who was one of the stars of Picture Post in the 1940s and 1950s; and at the Victoria and Albert Museum (until April 8) there is "A Vision Exchange," an exquisite study of amateur photography, in the truest sense of the term, in the middle of the 19th century.

A photograph is the work of *an instant; but it is an instant* that must somehow be contrived, or at least controlled or closed in some way, and thus given its particlar significance. Any fool can release the shutter, and he may be quite a craftsman in his way, but it is the mark of the artist to pick his moment with a consistent deliberation, and as consistent a finesse. The craftsman is the creature of his material and medium, which the artist transcends; and while there is a world and age of difference between the long instant of the *early Victorian photographer*, with his cumbersome equipment, and Hardy's handiness and often instinctive response, there is a more fundamental bond which joins them, in the particularity and definition of their work.

Too often in mundane photography, all we see—indeed, all we have—is content (or subject matter) to which we thus grow *habituated and by which the* true photographer suffers in our response. We may be enchanted by Hardy's windswept girls at the seaside, touched by his city waifs and urchins, and entranced by the vision of a motionless landscape of 100 years ago, wrapped in what Sir John Betjeman once described as the last great silence of the English countryside; but yet these girls, children and great silent trees are rather more than mere pictorial incidents, standing as they do as singular, memorable and archetypal creations.

Bert Hardy may not think himself — nor even thank me very much for calling him—an artist, but he does own to photojournalist. He taught himself the trade, working first, in the later Thirties and with increasing success, as a freelance, and then joining the staff of Picture Post in 1941. The editorial attitude of the magazine suited him perfectly, for it sent him out not for any single memorable shot but on news and feature stories that he could treat as photo-essays at his own discretion. The War gave him his first great opportunity; and with his work in London during the blitz, on the city rooftops with the Fire Service, and in the shelters, he made his reputation.

Later, he followed the war abroad, through Normandy and on into Germany, witnessing the liberation of Paris, crossing the Rhine with General Dempsey, and going into Belsen. Later still, he covered the Korean War and the *troubles in Cyprus*. But, good as he was, it is not really as a war correspondent that he will be remembered. Even in the thick of action, or beset by devastation and horror, it was not the immediate excitements that caught his attention so much as the human, and the humane response: the woman sewing beside her shattered workshop window, with the air-raid warden in the street outside; the fireman *looking* down from the rooftop; the prisoner crouching in the road.

And so it is throughout his work that something of the quality of the human spirit comes through, sometimes in extremis, sometimes in happier circumstances. It might be caught in a punch-up in the docks, or by children playing in the streets, or again (most chillingly) in an execution party *marching to the gallows*.

Meanwhile, a book, *Bert Hardy: My Life* (£14.95 or £9.95 paperback) has just been published by Gordan Fraser.

The photographers of "A *Vision Exchanged*" would hardly have thought of themselves as artists, either, at least to begin with; for though they could see that they had in their hands the *means to supersede* the old disciplines of graphic art in making topographical, architectural and personal records, it was rather more the scientific quality of their technique that at first intrigued them. Well-to-do, more-or-less-leisured (or at least self-sufficient), these amateurs of the 1850s were free to cultivate photography as something rather more than a pastime; and by their activities, which included forming learned and practical societies, they had transformed what at the beginning of the decade was, as the catalogue puts it, "a curiosity and a marvel," into what was, by 1860, "widely known and accepted as a means of recording information and making pictures."

As to picture-making, they *had, of course, only the* established pictorial conventions to go on, and so they composed their genre tableaux and looked at their immediate surroundings in the landscape (for they had to point their cameras at something or other, so why not try something picturesque or poignant?) But the magical quality so palpable in their work, which touches our imagination so effectively across a century and more, has little to do with ostensible subject matter. Rather, it was the mere excuse to begin; and the thrill we get is the thrill of a vision first concentrated and fixed through a new medium: the *subject chosen*, the camera set up, focused, friends made to sit just so, quite still, the weather attended, the plate exposed and the seconds counted out.

At each point the artist makes a definitive choice, and what we see is the sum of it all: a single, deceptively simple image but with an opaque history, layered in meaning. The wagons sit in their barn beside the lane for ever, the gnarled oaks loom over us, the children boil their kettle over the camp fire, and we see them all more particu*larly, with more attention and* care, than we ever do in our own present day and live experience. And because we think the camera never lies, we persuade ourselves in our imagination that what we see here is all so true — that handsome man with his moustache, and the girl in her crinoline beneath the tree, there to the life *so long* ago.

Bert Hardy's "Fox Hunting in the Welsh Mountains," taken in 1941

London Sinfonietta/Barbican

David Murray

Not only was the Sinfonietta programme on Saturday, in the "Mahler and Vienna" Festival, thoroughly rewarding—one of *their* best—and *superlatively* played (which is normal), but it sounded wonderful in this hall. Can it be that modern chamber-orchestra music is what fits the Barbican best? or was *it* only *that* the small audience left a lot of healthy acoustic space? Few pieces seem so bright and transparent in the usual Sinfonietta venue on the South Bank, and this concert ranged *from* the *sizeable* ensembles needed for Schoenberg and Dallapiccola to the wheezing tinkling trio that accompanies Kurtág's *Scenes from a Novel*.

Adrienne Csengery was again the definitive soloist in the Kurtág sequence. Not so laden with intimate anguish as his earlier cycle *Messages of the late Miss R. V. Troussova*, it is just as originally effective. Bartók stands behind *some* of the astringently witty inventions for violin, double bass and cimbalon, but he doesn't get in the way; Kurtág's own voice is as wryly individual as that of any composer alive. Miss Csengery sang with immaculate poise and virtuosity, switching from mood to disillusioned mood at second's notice and commanding sympathy in each one. The trio was properly pungent and direct.

By comparison Dallapiccola's three sets of Greek lyrics (from Sappho, Anacreon and Alcaeus) seemed to call sweetly and sadly from a distant past—not Ancient Greece, but wartime Italy, when Dallapiccola was a lonely Italian Serialist, loyal still to inherited ideals of expression. Teresa Cahill's liquid soprano made light of vocal hazards (*even in* the difficult exposed Anacreon songs), and she would have melted the most reactionary prejudices. In Webern's op. 24 Concerto and in Schoenberg's tough Chamber Symphony no. 1, the conductor Diego Masson had an equal care for lyrical lucidity. If the Beethovenish muscle of the Schoenberg was softened a bit (warm sensitivity, less thrust), the Webern was beautifully persuasive, its gentle discourse carried through the endless overlapping 2- and 3-note phrases without a stitch dropped.

The novelty was Brian Ferneyhough's *Carceri d'Invenzione II*, receiving its British première with Roberto Fabbriciani as the indefatigably brilliant solo flute. Like many another Ferneyhough piece with a fearsome theoretical background (he is such a self-consciously intellectual composer that there's hardly room for him in Britain), *Carceri II* is dense but palpably vital. The flute twitters on in a motoric frenzy, made articulate and exciting by breath-clicks and key-snaps; simpler orchestral tendrils begin to wind out from it, first silky strings and later muttering winds, and after an intense climax the music splutters away on three or four gasps of silver-dust scherzo, like metaphysical Mendelssohn. It's uncomfortable to be so gripped by a piece without knowing why.

Spectrum/Elizabeth Hall

Paul Driver

Spectrum's concert on Friday offered no less than three premières of specially written works, plus Copland's delectable *Appalachian Spring* in the concert version for 13 instruments, but it failed to draw more than a light dusting of audience. Even in the Purcell Room this turn-out would have been embarassing, and that stage could not accommodate the complement of players.

It was a shame, because conductor Guy Protheroe had assembled *some very fine talent*, and made good accounts of the new music before him. The first item, John Marlow Rhys's *Two Portraits* for string quartet (the Arditti players), flute, clarinet and piano (half of the Fires of London), was as texturally lively and wholly intelligent a piece as the three or four I've heard by him—he is an unobtrusive composer but one who repays attention.

Its *depictions were of yang* and *yin* qualities respectively (Rhys's own admission); and the aggressive virtuoso piano writing (executed by Stephen Pruslin) that dominated the *first movement, no less than the* gently atmospheric style of the second, was contrived with conspicuous flair.

The succeeding item, Jonathan Harvey's *Song Offerings* for soprano (Rosemary Hardy) and eight instrumentalists, was the highlight of the evening. It is a setting of four self-translated poems by Rabindranath Tagore that enact a woman's spiritual love by *means of delicately sensuous* metaphors, rather in the fashion of English metaphysicals like Francis Quarles. Harvey's fabulously delicate, but strong-boned, and fervently inventive musical treatment calls up not only the whole tradition of English musical mysticism (from Elizabethan string fantasies to Peter Warlock to Michael Tippett), but the continental versions of, for instance, Scriabin and Messiaen, also. In the first song's evocation of sleep, and the last's of death, if not throughout the cycle, there is an additional significant kinship with the art of Benjamin Britten, a composer often in the background of Harvey's writing.

I look forward to hearing this radiant, dancing, visionary music again soon (*Song Offering* will be repeated on June 1 at the Bath Festival), but am happy to have heard Elliott Schwartz's *Spirits* but once. The American composer himself took the prominent keyboard part in his two movements *for eight instruments*, which were distinguished by frequent diatonic clonkings within an amorphous context, and one *especially funny outburst from* electric piano. *Appalachian Spring*, well performed, made a pleasant American sequel, although the more one thought about it, the more it seemed to belong in another concert.

Scottish Arts Council bursaries

The Scottish Arts Council has awarded bursaries totalling £26,250 to six writers, to enable each to devote more time to writing. They are Douglas Dunn, Andrew Greig, George Gunn, Trevor Royle, Christopher Rush and Betsey Whyte; all live in Scotland, and have varied backgrounds—librarianship, oil-rig work, fishing, broadcasting, teaching and farming respectively.

Distillers to back Wilkie exhibition

The Distillers Company is to contribute substantial sponsorship money to help mount the bicentenary exhibition at the National Gallery of Scotland, Edinburgh, of Sir David Wilkie.

Tribute to Wilkie will coincide with the Edinburgh Festival, starting on July 26, and will continue on to October 13.

Songmakers' Almanac/Wigmore

Richard Fairman

Images of childhood are familiar in the song repertoire. In the 19th-century Schubert, Schumann and *others set poetry* on the romantic innocence of children; while nearer to our time composers such as Mahler in his *Kindertotenlieder*, most macabre of all such songs, and Britten have explored the darker side of childhood, its sufferings and corruption.

In this programme, entitled "Boyhood's End," the Songmakers' Almanac illustrated the subject with unexpected sobriety. *In the past* the group have not always avoided the coy and silly in their recitals, but this time they chose to spend most of their time with music and poetry in a serious even dour vein. Only Rossini's "La chanson du bébé" and Malcolm Williamson's "Whole duty of children," a piece of vapid composition and patronising humour, served to remind us how puerile this theme might become.

The most important item of the evening was Tippett's own "Boyhood's End," an extended setting of W. R. Hudson. With its glorification of nature and *complex musical richness* this is Tippett par excellence, a well-chosen example of the composer's work for his birthday year. And the welter of notes in its piano part gave Roger Vignoles, guest accompanist for the recital, an ideal chance to display the customary technical excellence of his support.

Philip Langridge, the tenor, was less *fortunate*: Tippett's idea of what the human voice *can do* is *often* optimistic and in the florid passages the strain showed. But then, for all the vividness of his singing, Langridge was not wholly at ease in the Britten songs either: in "Midnight on the Great Western" *from Winter Words he* had some ungainly corners and constricted tone, a far remove from the silky line of Pears, the cycle's creator.

For purely vocal pleasure the evening belonged to the soprano, Patricia Rozario. Although she needs still more variety—the pain and bitterness at death, for example, in Mahler's "Das irdische Leben" —all that she does is beauti*fully crafted*. Any guest to the Almanac who can sing the opening lines of Mendelssohn's "Scheidend" in such well-supported, hushed tones deserves another invitation. And the same could be said of the programme's inspired speaker Gabriel Woolf, not one guest but many in his varied poetic personalities.

Dance Theatre to stage premiere

The London Contemporary *Dance Theatre will present the* London premiere of Siobhan Davies' ballet *Bridge the Distance*, which is set to Benjamin Britten's Third String Quartet, during its annual season at Sadler's Wells from June 3-8.

Other ballets include Tom Jobe's *Rite Electrik*, Robert Cohan's *Skyward* and *Agora*, and Paul Taylor's *Esplandade*.

There will be a special matinee for children on Friday *June 7*, with an introductory talk and demonstrations from dancers, musicians and designers.

Theatre in New York

Frank Lipsius

At least two New York openings give heartening signs of the development of a style of contemporary American theatre: *The Mystery of Irma Vep* and *3 Guys Naked from the Waist Down* embody aspects of the flash, dash and exuberant excesses of the times.

With *Irma Vep*, Charles Ludlam's Ridiculous Theatrical Company leaps into maturity with an assured style for his transvestite antics, replacing the effort to shock with much funnier and effective scenes and more carefully contrived plot twists. Masterful quick change artistry by Mr Ludlam and his close collaborator, Everett Quinton, allow them to play *three characters each in the* complicated Gothic tale of the ghost who haunts Lord Hillcrest's remote estate on the moors. The second act changes scene to mummy-hunting in Egypt—Lord Hillcrest's hobby —demonstrating even more versatility within the present fashion to allow stage histrionics as long as they are performed by men, this generation's successors to Sarah Bernhardt.

3 Guys Naked from the Waist Down at the Minetta Lane is automatically contemporary with its subject of stand-up comics. The musical tries to bridge the gap with cabaret, *which itself is having a revival* covering the gamut in New York now from the funny antics of High Heeled Women's view of men, pregnancy and soap opera at the Greene Street Cafe; to po-faced, dramatic but (as with *September Song*) at times touching interpretations of Kurt Weill songs by Martha Schlamme and Alvin Epstein at the Harold Clurman.

3 Guys endows the cabaret genre with loves, hates and lives behind the stylising. But the thin plot, of how the comedians start working together and gain sudden fame from a late-night telly appearance, passes as an *excuse for being a musical without* any memorable music and a comedy that is rarely funny.

The climatic scenes, in particular, fall flat in Jerry Colker's uneven book. A pastiche of Gilbert and Sullivan is amateurish, while the vaunted telly appearance is tepid nostalgia, not comedy. Their own television series as cops in dresses, called *Hello, Fellas*, makes actual television look good. John Kassir produces the one funny scene with a routine that has a third hand come up through his jacket to attack his throat.

Surrounding the new American *plays* are *distinct* representations of foreign climes or older genres. A stunning production of Derek Walcott's *Pantomime* at the New Theatre in Brooklyn, directed by Kay Matschullat, combines the West Indian's poetic voice with servant-masted reversals. It avoids falling into cliche, enhanced by riveting acting by Chuck Stransky as an exiled Englishman and Jackson Phillip as his servant in a sunwashed, washed out setting by Daniel Conway.

The Public Theatre hosts Tracers, a play about Americans in alien territory: in this case, Vietnam. It is a searing vision of the war written and performed by veterans. From training camp to return home, the conflict is chewed up and spat out as the blanket party detail, where mangled bodies are packaged for burial and the fear of dying haunt's the last month before going home.

Just arrived on Broadway is Arvin Brown's revival of *A Day in the Death of Joe Egg*, done originally at the Long Wharf Theatre and settled temporarily with the Roundabout on its way uptown. Even without the brass band of the original production, Peter Nichols' contrast of normal life with the horrors of caring for a severely handicapped child loses none of its power in the wrenching performances of Jim Dale and Stockard Channing. The lighthearted banter makes the family's torture all the more directly felt in what seems a typically English matter-of-factness about egregious circumstances like this.

Pack of Lies has arrived at the Royale from the West End with subtle but effective changes in Hugh Whitemore's script, especially the reduced number of monologues. Indeed, since *for one character the remaining* monologue substitutes for a fleshing out and, in another, unnecessarily foreshadows the action, the monologues seem altogether superfluous.

But the story of the neighbours who help trap the Lonsdale spy ring translates well, with Rosemary Harris and George N. Martin as the couple forced to open their house to police to catch their own friends. Ralph Koltai's set is identical to the West End original; and though Patrick McGoohan makes the policeman, Stewart, more an earnest salesman than chummy representative of law and order, he well fits the American temperament that would be less inclined to cooperate without a little coercive salesmanship.

With *Strange Interlude* at the Nederlander, Glenda Jackson continues the tradition, if not rescue operation, of bringing American classics from London to New York. Compared with the monologues in *Pack of Lies*, Eugene O'Neill's are treated as part of the normal conversation, making cumulative impact in Keith Hack's thoroughly modern but evocative production with stunning sets by *Voytek and Ralph Koltai. Ellis* Raab entombs Arthur Schnitzler with silent waltzers and archaic notions of Habsburg Vienna in the Circle-in-the-Square Uptown production of *The Loves of Anatol*, whose charms slowly seep away like a falling soufflé.

The Octette Bridge Club at the Music Box, the only recent new American play to open on Broadway, comes across almost as a parody of *The Gin Game*, both having started in Louisville, with this new one multiplying the characters by four but reducing the action, it seems, by half. Nancy Marchand and Peggy Cass enliven writer P. J. Barry's story about eight sisters who meet to play bridge and, over 10 years, inexorably but inexpensively deteriorate. The self-conscious conventionality of the Ameri*can characters contrasts with* the new style and local pen*chant* for flash and dash that too often add up to trash.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

March 22–28

Opera and Ballet

PARIS

Wozzeck is conducted by Christoph von Dohnanyi with Peter Gottlieb in *the title role alternating with Soirée* de Ballets. Paris Opera (742 57 50).

LONDON

Royal Opera, Covent Garden: A new Barber of Seville has long been an urgent Covent Garden requirement, and so the production by Michael Hampe, conducted by Gabriele Ferro, *can expect an automatic* welcome. The cast, an attractive mixture, includes Alicia Nafé (house debut), Thomas Allen (a long-admired London Figaro), Samuel Ramey, and Enzo Dara. (240 1066).

WEST GERMANY

Berlin, Deutsche Oper: A new production of Siegfried, by Götz Friedrich has Rene Kollo in the title role beside Catarina Ligendza and Gottfried Hornik. Salome features Lalla Andersson and Ingvar Wixell. Tosca stars Anna Tomowa-Sintow and Giacomo Aragall. Manon Lescaut brings together Pilar Lorengar and Giorgio Merighi. (34 381).

Cologne, Oper: Cologne is staging a Mozart cycle directed by Jean-Pierre Ponnelle, from March to the end of June, conductors Sir John Pritchard and Georg Fischer alternate. Soloists are Kay Griffel, Krisztina Laki, Karen Huffstedt, Matti Salminen, Janice Hall, Margaret Marshall, Ruggero Raimondi and Stafford Dean. (0221/21 25 81).

ITALY

Milan: Teatro alla Scala: *Magic Flute* – the production seen at Glyndbourne in 1978, with scenery and costumes by David Hockney and directed by John Cox – adapted for the huge stage at La Scala. The conductor, Wolfgang Sawallisch, approves this almost spartan production as being closer to the original in Vienna. With Barbara Bonney, Sylvia Greenberg, Adelina Scarabelli and Hakan Hagegard. On Thursday, Roland Petit's ballet Les Intermit*tences du Coeur based on Proust's A* la Recherche du Temps Perdu with Giuliana Gaspari, Vera Karpenko, Anna Razzi and Maurizio Bellezza. (80 91 26).

Rome: Teatro dell'Opera: Adriana Lecouvreur by Francesco Cilea, directed by Mauro Bolognini and conducted by Giuseppe Patane. Sung by Raina Kabaivanska, Natalia Troitskaia and Giuseppe Giacomini. (461755).

NETHERLANDS

The National Ballet with For We Know Not What We Do, the latest ballet by Rudi van Dantzig, Hans van Manen's Bits And Pieces (A deadly serious comedy), and The Green Table by Kurt Jooss (A dance of death in 8 scenes). Mon in Scheveningen, Circus Theatre (355800). Tue in Don Bosch, Casino (125125).

NEW YORK

Metropolitan Opera (Opera House): Franco Zeffirelli's production of Tosca continues, conducted by Giuseppe Sinopoli, with Hildegard Behrens and Placido Domingo. Thomas Fulton conducts last season's new production of Ernani, starring Leona Mitchell, Ermanno Mauro, Pablo Elvira and Paul Plishka. Die Meistersinger, conducted by James *Levine, features Mari Anne Haeg*gander and David Rendall. James Levine also conducts the premiere season of Nathaniel Merrill's production of Porgy and Bess, designed by Robert O'Hearn, with sopranos Roberta Alexander and Marvis Martin, tenor Bernard Thacker and baritones David Arnold and Arthur Thompson. Lincoln Center (362 6000).

WASHINGTON

Washington Ballet (Terrace): Benefit performance featuring actress/singer Karen Akers and the American Ballet Theatre (Mon). Kennedy Center (2549895).

TOKYO

Vienna Volksoper: Strauss, Die Fledermaus. Tokyo Bunka Kaikan. (2827141; 5711689).

National Gallery/Antony Thorncroft

Dublin comes to London

Few people go to Dublin to look at pictures—so Dublin has brought some of its pictures to London to show visitors there what they have been missing. From tomorrow until May 27, 35 pictures from the National Gallery of Ireland are on show at the National Gallery in Trafalgar Square.

They were chosen by Sir Michael Levey, of London's National Gallery, and highlight the idiosyncracies of Ireland's national collection. There are *some pictures* by undisputed masters—an El Greco, a Titian —but there are also works by comparable artists which are outside the run of their conventional output—a Rembrandt, showing a small group *huddling* by firelight (the Holy Family on the flight to Egypt), against a dark and sombre background; an intense Poussin.

There are also important artists on view who have yet to be added to the National Gallery's own collection: in particular, paintings by Castiglione, Bellotto, Frans Post and Nolde.

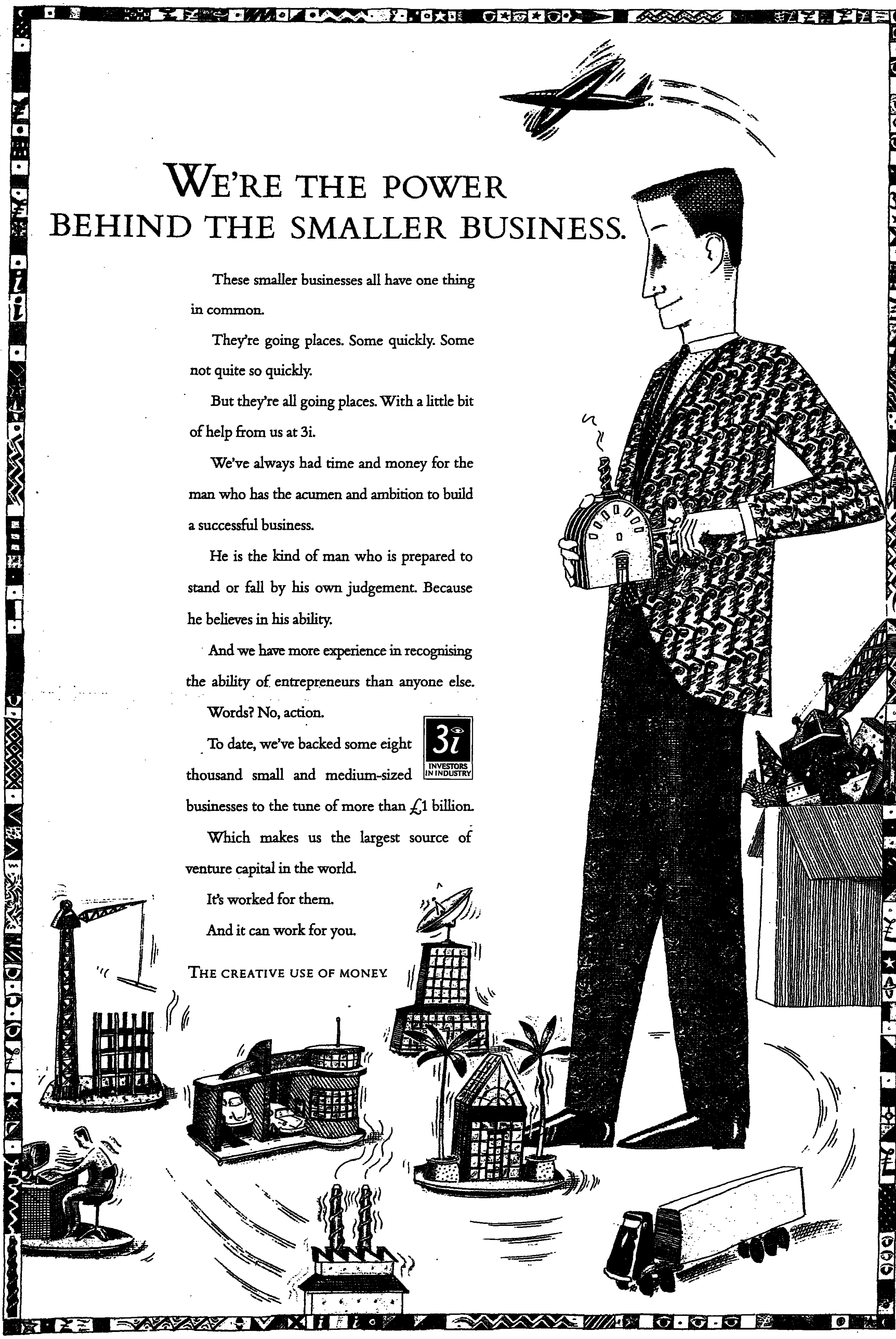
The National Gallery of Ireland has always suffered from a very small purchasing grant. It was fixed at £1,000 in 1866, soon after its opening, and stayed there until 1937. Its early directors did wonders with very little. A Fra Angelico was bought in 1886 for £73 10s; a Van Dyck for £56 14s; a Frans Hals for £400.

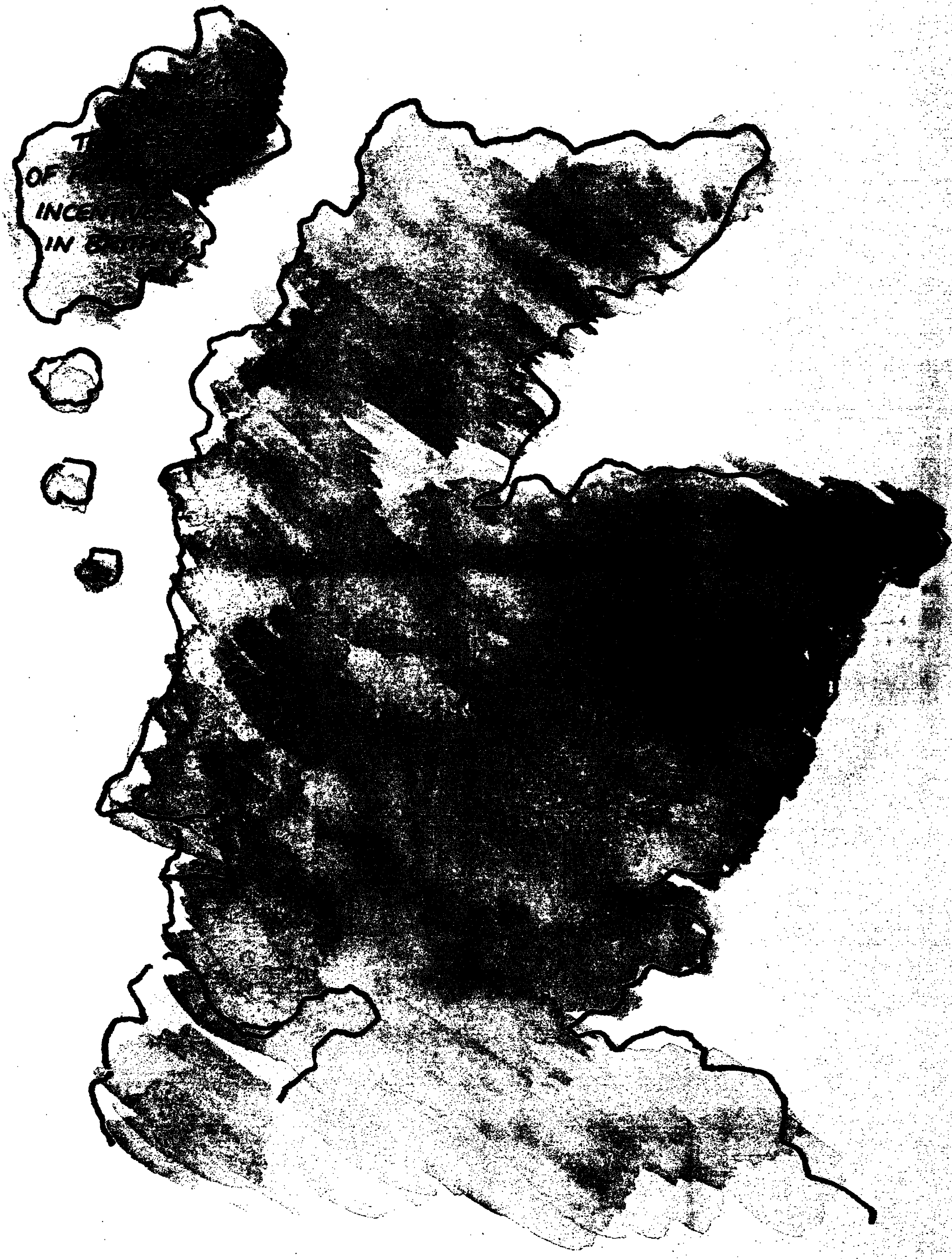
Sir Michael Levey has chosen paintings which the gallery was forced to buy because it could not afford famous masterpieces. Now, such paintings are much admired, and on show are two German portraits by Conrad Faber, of 1529, which are gems; an 18th-century Dutch portrait by Troost (something of a rarity); *and* unusual 17th-century works by lesser known Dutch artists like Duck and van Hasselt.

Perhaps the rarest work on display is "Party feasting in a garden" by Passeri, an attractive picture in its own right but made more so by the fact that this is the only signed work by Passeri, best known for his biographies of 17th-century artists in Rome, *that has* survived.

After a bad patch between 1920 and 1950, the National Gallery of Ireland has started to flourish. It was helped by a benefaction from George Bernard Shaw who, in his will, left it a third of his royalties. These gave it a second wind when *My Fair Lady* was a hit, and now the director, Homan Potterton, can buy a really good picture every year or so.

His latest purchase was the Nolde (for £350,000). Such works are much needed because the collection has a very poor representation of Impressionist and later works. But its Old Masters will for two months complement and challenge the National Gallery's own unrivalled collection.


WE'RE THE POWER BEHIND THE SMALLER BUSINESS.
These smaller businesses all have one thing in common.
They're going places. Some quickly. Some not quite so quickly.
But they're all going places. With a little bit of help from us at 3i.
We've always had time and money for the man who has the acumen and ambition to build a successful business.
He is the kind of man who is prepared to stand or fall by his own judgement. Because he believes in his ability.
And we have more experience in recognising the ability of entrepreneurs than anyone else.
Words? No, action.
To date, we've backed some eight thousand small and medium-sized businesses to the tune of more than £1 billion.
Which makes us the largest source of venture capital in the world.
It's worked for them.
And it can work for you.
3i
INVESTORS IN INDUSTRY
THE CREATIVE USE OF MONEY.



Canute James reports on an appeal for new foreign investment

Multinationals leave the Caribbean

MANY CARIBBEAN countries have been appealing in recent months for new foreign investment, to shore up their weak economies, and to counter decreased production and low market prices for key commodity exports.

While some new investment continues to dribble into the region, however, many economies have been shocked by the gradual desertion of several multinationals which, over the past two decades, have been important economic pillars.

The Caribbean investments of many of the companies which are leaving or reducing their operations have been hit by decreased profitability. Oil refineries have suffered from a slack market; weak demand for aluminium has forced mines and refineries to close; and sugar mills have struggled to break even at today's prices.

For the weak Caribbean economies, the presence of these multinationals has provided a vital economic crutch—major infusions of investment capital, followed by substantial employment, hard currency earnings through export and support for the host governments' fiscal budgets through taxation.

Jamaica has been the latest in the region to suffer the effects of desertion by a transnational. A world glut of alumina (refined bauxite) forced the Aluminum Company of America (Alcoa) last month to close its refinery. The company has been in the island for the past two decades.

This comes within a year of Reynolds Metals of the U.S. stopping mining and shipping of bauxite ore from the island. Reynolds, like Alcoa, found its Australian operations more profitable.

The moves have cost the Jamaican economy about US$60m a year, and the situation could get worse with the efforts of Atlantic Richfield of the U.S. to dispose of its holdings in metals, including a 27 per cent stake in Jamaica's largest bauxite refinery.

Jamaica depends on bauxite mining and refining for two-thirds of its export earnings, much more than does the Dominican Republic. Yet the Dominican economy was hurt by the decision of Alcoa to return its mining concession to the Government and cease operations, killing the bauxite industry.

The same thing happened across the border in Haiti, where Reynolds Metals, claiming that commercially exploitable ore had run out, ended all bauxite mining.

The Dominican Republic did face a greater economic threat, by the pull-out of Gulf and Western of the U.S., the operations of which were fundamental to the economy.

The company said it had to leave the Dominican Republic as its main activity there, sugar, no longer fitted into its corporate plans. Gulf and Western employed 30,000 Dominicans, and was the largest private business enterprise in the country.

The company's properties have been bought by Jose and Alfanso Fanjul, Cuban-American brothers based in Miami. They were extensively involved in the Cuban sugar industry before leaving in 1960.

Such was Gulf and Westerns haste to divest itself of its sugar operations that it sold the Fanjuls its Florida and Dominican facilities for $200m—or $240m less than their estimated value—and gave them the rest of its Dominican properties, including 100,000 acres of cattle lands, another 19,000 acres of unused land, three major hotels, 2,000 acres of citrus, and shareholdings in a chemical plant and an industrial free zone.

Dominican industry is still concerned about the future in the country of Falconbridge Dominicana (Falcondo)—a subsidiary of Falconbridge Nickel Mines of Canada—which has been hit by high operational losses and mounting debt.

To the south, the economy of the Dutch Caribbean islands has been hard hit by the decision of Lago Oil and Transport, a subsidiary of Exxon of the U.S., to close its oil refinery on Aruba.

The owners say they are closing the facility because of heavy losses caused by a soft market. The refinery accounts for about 60 per cent of the island's revenues, but representations on behalf of the Aruban administration at the highest levels in Washington have not changed Exxon's decision.

On neighbouring Curacao, Shell is threatening to close its refinery which is also proving uneconomic. Closure would compound what is already an economic disaster for the Dutch possessions.

In Trinidad and Tobago to the east, Texaco is reported to be making final an agreement to sell the Government its oil refinery, which is reported within the industry to have been causing the company mounting losses.

The two biggest companies in the U.S. Virgin Islands are reducing their operations, amid reports that one may close. The Hess Oil Company has cut output at its refinery to 195,000 barrels per day, following an earlier reduction. The refinery's workforce, which was just over 1,000 a year ago has been reduced to 300.

The company says the cut-back is the result of "...adverse economic conditions in refining and marketing petroleum products." The island's administration has described the move as "devastating."

Clouds are hanging over the island's bauxite refinery, owned by Martin Marietta, of the U.S., which last year sold its U.S. aluminium interests to Comalco of Australia.

Puerto Rico, easily the most heavily industrialised part of the Caribbean, has not escaped. Union Carbide reported recently it was closing a chemical plant on the island's south coast.

The investments which have been coming into the region will not replace the economic support traditionally provided by the large multinationals which are either leaving or reducing their Caribbean operations.

While export oriented consumer assembly plants seek to take advantage of preferential entry to the U.S. and European Community markets, they will not be able to patch the holes in national coffers created by the withdrawal of the large companies.

There are, however, some companies which appear to be swimming against the tide.

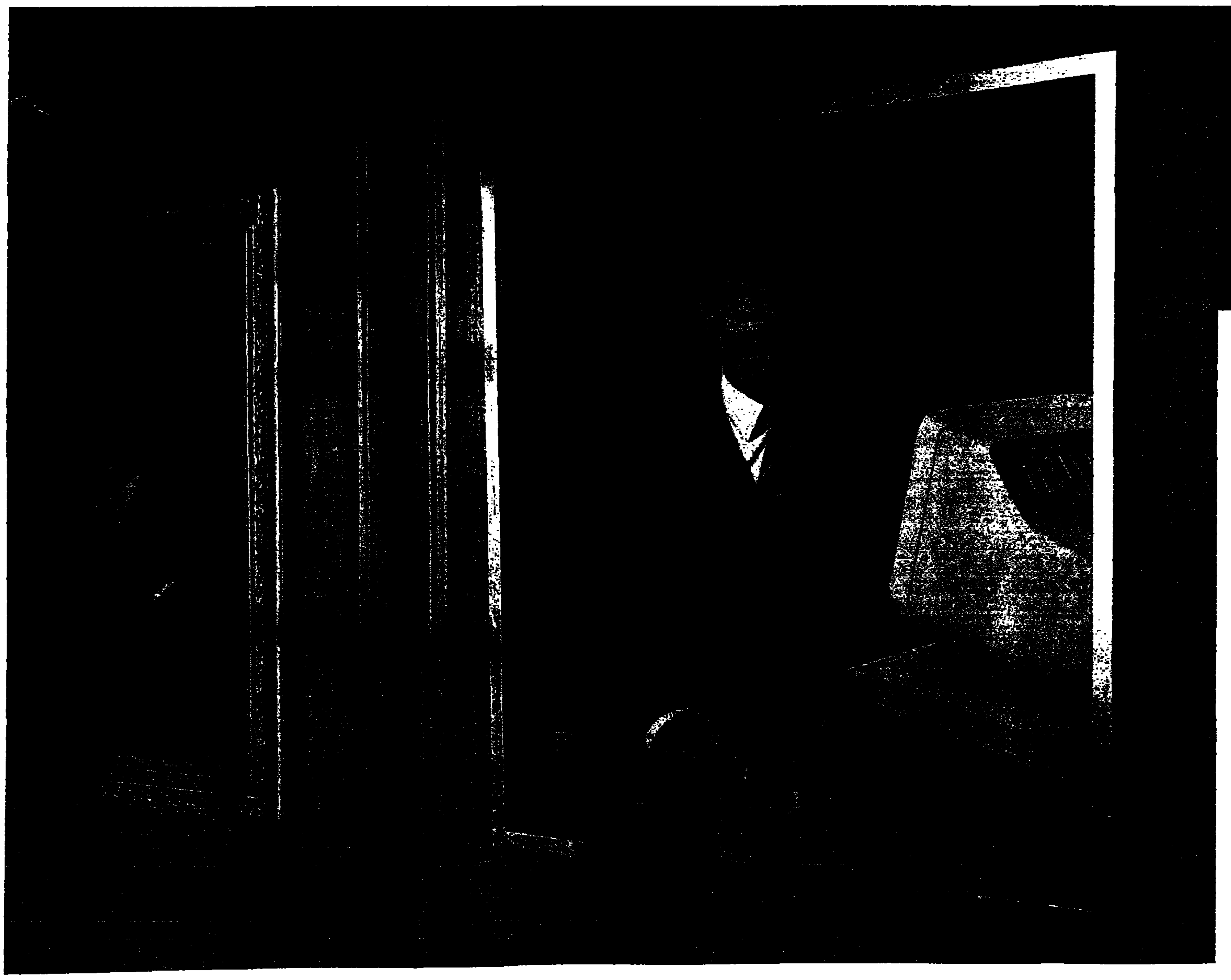
Reynolds Metals is expected to announce soon a joint venture with the Guyanese Government to re-open a bauxite refinery, while Tate and Lyle, of the UK, has just started a 10-year management contract to run Jamaican debt-ridden state-owned sugar mills.

Shipping bauxite out of Jamaica in better days: Reynolds Metals of the U.S. last year ended such movements; last month Alcoa closed its refinery there

BASE LENDING RATES

A.B.N. Bank	13½%	Johnson Matthey Bkrs.	14 %
Allied Irish Bank	13½%	Knowsley & Co. Ltd.	14 %
Henry Ansbacher	13½%	Lloyds Bank	13½%
Amro Bank	13½%	Edward Manson & Co.	15 %
Associates Cap. Corp.	14 %	Meghraj & Sons Ltd.	13½%
Banco de Bilbao	13½%	Midland Bank	13½%
Bank Hapoalim	13½%	■ Morgan Grenfell	13½%
BCCI	13½%	Mount-Credit Corp. Ltd.	13½%
Bank of Ireland	13½%	National Bk. of Kuwait	13½%
Bank of Cyprus	13½%	National Girobank	13½%
Bank of India	13½%	National Westminster	13½%
Bank of Scotland	13½%	Northern Bank Ltd.	13½%
Banque Belge Ltd.	13½%	Norwich Gen. Trust	13½%
Barclays Bank	13½%	People's Tst. & Sv. Ltd.	14½%
Beneficial Trust Ltd.	14½%	Provincial Trust Ltd.	14½%
Brit. Bank of Mid. East	13½%	R. Raphael & Sons	13½%
■ Brown Shipley	14 %	P. S. Refson	14 %
CL Bank Nederland	13½%	Roxburghe Guarantee	14 %
Canada Perm'nt Trust	13½%	Royal Bank of Scotland	13½%
Cayzer Ltd.	13½%	Royal Trust Co. Canada	13½%
Cedar Holdings	14 %	■ J. Henry Schroder Wagg	13½%
■ Charterhouse Japhet	13½%	Standard Chartered	‖13½%
Choulartons**		TCB	13½%
Citibank NA	13½%	Trustee Savings Bank	13½%
Citibank Savings	§12½%	United Bank of Kuwait	13½%
Clydesdale Bank	13½%	United Mizrahi Bank	13½%
C. E. Coates & Co. Ltd.	14½%	Westpac Banking Corp.	13½%
Comm. Bk. N. East	13½%	Whiteaway Laidlaw	14 %
Consolidated Credits	14 %	Williams & Glyn's	13½%
Co-operative Bank	*13½%	Wintrust Secs. Ltd.	13½%
The Cyprus Popular Bk.	13½%	Yorkshire Bank	13½%
Dunbar & Co. Ltd.	13½%		
Duncan Lawrie	13½%		
E. T. Trust	14½%		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	14½%		
■ Robert Fleming & Co.	13½%		
Robert Fraser & Ptns.	14½%		
Grindlays Bank	‡13½%		
■ Guinness Mahon	13½%		
■ Hambros Bank	13½%		
Heritable & Gen. Trust	13½%		
■ Hill Samuel	§13½%		
C. Hoare & Co.	†13½%		
Hongkong & Shanghai	13½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10½%, 1 month 11.25%. Fixed rate 12 months £2,500 11.75%, £10,000 12 months 12.00%.
† 7-day deposits on sums of under £2,000 10½%, £2,000 up to £10,000 11½%, £10,000 up to £50,000 11¾%, £50,000 and over 12%.
‡ Call deposits £1,000 and over 10½%.
‖ 21-day deposits over £1,000 11½%.
¶ Mortgage base rate.
§ demand deposits 10½%.
** See Provincial Trust Ltd.



EUROPEAN MOTOR INDUSTRY

Porsche aims to build on new financial strengths

BY JOHN DAVIES IN FRANKFURT

Herr Peter Schutz, chief executive: "although the company's products are predominantly sports cars, this doesn't always have to be the case"

WITH EARNINGS boosted in recent times by the high U.S. dollar, Porsche of West Germany is carefully laying the groundwork for further solid expansion—both in its sports car business and in research and development activities for outside clients.

The company is even weighing up the prospects of entering the market for light aircraft engines, after spending several years developing such an engine based on a sports car model.

"Porsche's products, you might say, are technical works of art," according to Herr Peter Schutz, the German-American who took over as chief executive four years ago. "Although today these products are predominantly sports cars, this doesn't always have to be the case."

But Herr Schutz, a genial figure who enthusiastically nurtures Porsche's cult of high performance and exclusivity, is quick to add a note of caution to plans for expansion.

The company, he stresses, is yet to decide on definite plans for commercial development of its aircraft engine, although U.S. and French aircraft manufacturers could be interested.

What's more, the motor vehicle business allows only a certain scope for expansion without raising the possibility that customers may feel there are too many similar cars on the road. A large increase in sales would require the creation of new models, he says.

But with demand in the U.S. and elsewhere running well ahead of capacity, Porsche is investing heavily to increase output and has been rapidly building up its workforce.

Porsche's own works at Zuffenhausen in Stuttgart, which turn out the 911 and 928 models, lifted the rate of production in 1983-84 from 74 cars a day to 81 and is due to turn out 100 a day later this year.

The Audi plant at Neckarsulm, which produces the 924 and 944 models under contract for Porsche, is in the process of boosting the production rate from 132 to 150 cars a day. Porsche and Audi recently extended their contract and the arrangements, now running to the end of the decade, are of major benefit to both companies, says Herr Schutz.

Porsche's investment, which until recent years was well under DM 100m a year, has been rising in leaps and bounds. It reached DM 131m in Porsche's financial year to July 31 1983, and almost doubled to DM 254.5m ($79.3m) last financial year, although this included the cost of setting up Porsche's own importing subsidiary in the U.S., to replace a joint operation with Audi.

With heavy outlays on production operations, research facilities and improvements in its model range, investment is expected to rise to more than DM 300m this financial year, and to even more in 1985-86.

Because of the seven-week labour conflict in the West German motor vehicle industry last May and June, Porsche's car output slipped to 44,773 last financial year, but a target has been set for this financial year of more than 51,000 vehicles. This would be a sizeable increase compared with output of 32,640 as recently at 1981-82.

Parallel to the rise in car output is the rapid expansion of Porsche's technology centre, built in a woodlands setting at Weissach near Stuttgart. In addition to its own research projects, Porsche has built up a range of work for outside clients, including other motor vehicle manufacturers.

Sales revenue from those outside technology projects rose to DM 120m last financial year, up from DM 80m. Although the total at first sight is small in relation to Porsche's overall revenue of DM 2.49bn last financial year, its real significance is far greater—as it represents largely intellectual effort, while overall revenue reflects a major element of material costs.

With profits buoyant in recent times as a result of the high dollar, Porsche has seen an opportunity to forge ahead with investment plans which, as Herr Schutz points out, were to some extent overdue. The investment, he says, would have been more difficult without the benefit of the strong dollar, which helped to lift Porsche's net profit by 33 per cent to DM 92.4m last financial year.

In view of booming business, holders of Porsche's non-voting preference shares voiced calls for a larger slice of the benefits at the company's recent first-ever public shareholders' meeting in Stuttgart. But Herr Heinz Branitzki, Porsche's finance chief, was at some pains to dampen down these calls by referring to the need to finance the major investment programme and build up reserves.

The shareholders' meeting was held amid the tight security precautions often seen at major company meetings in West Germany, with visitors and their bags subjected to electronic checks and with armed police overlooking the proceedings.

The mood of the meeting was restrained rather than flambuoyant, and while many Porsche shares have found their way into U.S. hands, the shareholders' gathering was thoroughly German.

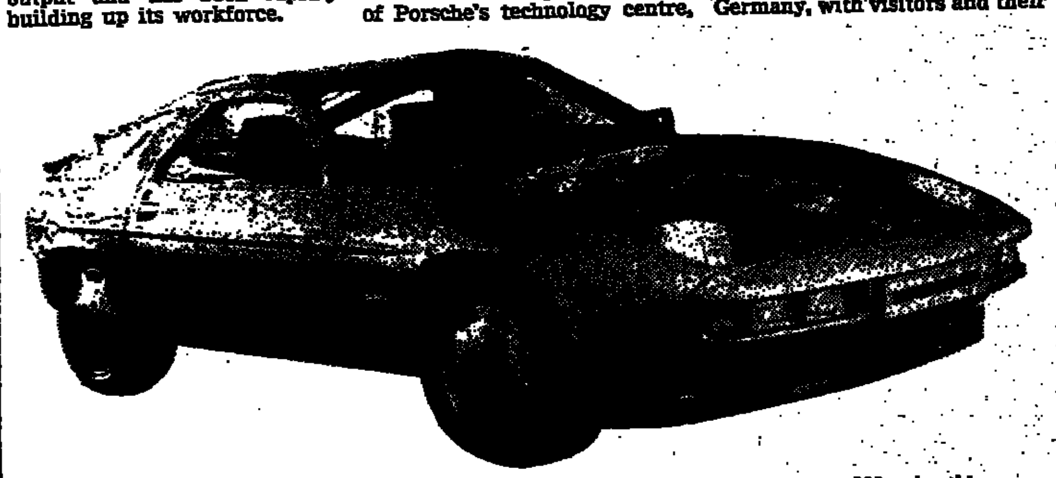
Although there were some penetrating questions, they posed no problem for the management or for representatives of the Porsche and Piech families (who own all the voting shares). However, with Porsche's decision to go public early last year, a new dimension has been added to the company, which now has to reckon with increased public scrutiny.

One shareholder remarked that the decision to go public with an issue of non-voting shares should only be the first step, and should be followed by a widening of the voting share ownership.

Although there was, discreetly, no comment on this proposal, Herr Branitzki indicated that the widened interest in Porsche shares would be reflected in a decision soon to include the company in share option trading on the West German bourse.

With 47 per cent of Porsche cars sold in the U.S., the company has been a major beneficiary of the high dollar, but Herr Schutz assured shareholders that even if the dollar fell below DM 2.50, Porsche would still have a "respectable result."

The company's finances are currently strong, both as a result of the funds raised in the process of going public last year and because of the current dollar rate. Porsche is keen to take advantage of these circumstances to push ahead with investment plans.



The 928S series 2: production of the 928 and 911 models at Stuttgart is due to turn 100 a day this year

UK NEWS

Receiver's deal puts Servis back in business

By Ian Rodger

SERVIS, the washing machine manufacturing group, has been rescued by a young, private industrial holding company, the Gooding Group.

Mr Alf Gooding, a Welsh entrepreneur, said yesterday that his group would honour all guarantees on Servis machines sold in the past year and would renew service contracts with 450,000 other customers for £5 to £15, depending on the length of time the contracts have to run.

Gooding, which has bought the assets of the Servis group companies from the receiver for £3.75m, also said it would immediately re-employ 1,500 of the 1,900 former workers, most of who worked in the 29 service depots around the country. The number employed in the Darlaston, West Midlands, factory would remain at about 500.

Servis, the third largest washing machine maker in Britain after Hotpoint and Hoover, went into receivership three weeks ago after it had failed to find new equity to reduce its excessive debts. The company had been in difficulty since an earlier rescue in 1982, but returned to trading profits in recent months after substantial rationalisation.

Gooding plans to invest about £3.75m in factory equipment for Servis in the next two years and the Department of Trade and Industry has agreed to provide £2m in grants. The West Midlands Enterprise Board is likely to invest £750,000 in equity in the new Servis company.

The receiver, Mr Michael Jordan, a senior partner of Cork Gully, said yesterday that Servis shareholders would not get any return on their investment. "I still hope the creditors will receive something," he said. The group's creditors, which include a wide range of banks and suppliers, are owed about £11m.

Mr Gooding set up the Gooding Group in October 1983 with a view to acquiring companies in poor shape and making them profitable enough to be floated publicly. So far, the group, which counts Sir Michael Edwardes among its non-executive directors, has acquired four companies and turned them from combined losses of £4m to profits of £1m. Mr Derek Norton, former managing director of the Hadfields steel-making subsidiary of Lonrho, is another director; he will become chief executive of Servis.

Mr Gooding has set ambitious targets for his acquisition. He said that Servis, under Gooding, would "churn out double the machines with half the people" within two years. To this end it has already settled a one-union shop deal with the Amalgamated Union of Engineering Workers, and Mr Gooding is confident that both the workforce and local sub-contractors will deliver.

He also wants to see Servis double its UK market share in washing machines, now 8.3 per cent, expand its service network and widen its product line.

Servis currently competes in only about half of the white goods range. It makes washing machines and tumble dryers and imports dishwashers, spin-dryers, microwave ovens and refrigerator-freezers.

"There is not one dishwasher made in the UK," Mr Gooding said. "We want to do a deal quickly with a foreign producer to manufacture jointly in this country so we do not have to wait until we develop our own."

Social security reforms threatened by review

BY ROBIN PAULEY

A REVIEW of the social security system initiated by Mr Norman Fowler, the Social Services Secretary, last April, has become the subject of serious disagreements within the Government.

As a result, changes to the present system may be limited, while the prospects for benefit cuts appear to be increasing as the likelihood of radical reform recedes.

Any formal announcements have now been delayed until after Easter, and may not come until early May. While major reforms, such as the integration of the tax and benefit system, may be mooted in the eventual report, they are likely to be very long term becuase of the need for further computerisation of the system. The delay could extend beyond the next general election.

The divisions within the Government are between the Department of Health and Social Security, the Treasury, the Prime Minister and the policy unit at No 10 Downing Street.

Mr Fowler wants to reorganise benefits with the emphasis on simplification, any money freed from the streamlining of the £40bn a year social security budget to be recycled to giving higher basic benefits to those needing them.

The Treasury is looking for a straightforward cut of between £2bn and £4bn from the budget to reduce the public spending totals and alleviate what will otherwise be an exceptionally difficult public spending round in the autumn.

Treasury ministers have privately made little secret of the fact that they agreed to the social security reviews in the first place only because they were determined to get cuts out of them.

The Prime Minister's policy unit is the group arguing for genuinely radical reform in the structure of the benefits system to direct cash more accurately to where it is needed.

Mrs Margaret Thatcher, Prime Minister, who is chairing the Cabinet committee considering the changes, is not supporting any of those options. She is more interested in the recipients of the benefits than the benefits themselves and is convinced that a large amount of the social security budget is being paid to people who do not deserve the money.

The complexities of how to begin to identify who deserves, rather than needs, will probably bring this line of argument to a halt, but it is holding up progress on the other options.

Mrs Thatcher has a more conservative approach to the structure of the benefit system than her departmental ministers and is not enthusiastic about streamlining if it means the removal or integration of too many of the anomalies and small benefits which have built up over the years.

Mr Fowler's best chance for keeping his ideas from his review intact would be for Mrs Thatcher to get out of the row by taking her policy unit's advice rather than backing any of the warring factions. The policy unit is closer to Mr Fowler's view and is not advocating cuts for cuts sake.

If the Treasury prevails with its view that social security is the only public sector area left in which major cuts are feasible, and cuts several billion pounds off Mr Fowler's budget – which totals a third of all public spending – then the Government's claim to be presenting reforms of the welfare state to last until well into the next century will be gone. Instead, the autumn public expenditure blood-letting will have started earlier than ever.

Government to set up inquiry into how BBC is financed

BY RAYMOND SNODDY

THE GOVERNMENT has decided on a BBC licence fee in the £58 to £60 range, somewhat less than the £65 the BBC had sought but more than recent speculation has been suggesting.

The figure is expected to be announced in the House of Commons tomorrow by Mr Leon Brittan, the Home Secretary, alongside the establishment of an inquiry into the BBC's financing.

Such an inquiry will clearly look at how the BBC should be financed in future and whether the corporation should be wholly or partially financed by advertising.

The present £46 colour licence fee will have been in force for three years and four months when it runs out at the end of this month. Although the BBC, will have "balanced its books" on spending of £2.1bn over the period, the corporation is already spending at the rate of a £51 licence.

The new licence fee will probably run for more than two years but it is believed the exact period will not be specified at this stage. The aim would be to allow flexibility for an inquiry and the implementation of any possible recommendations.

A further reason for the lack of precision may be political. The last possible date for the next general election is June 1988. The Government would either want to get the next licence fee round out of the way before the election or if a fundamental change was proposed, possibly include this in an election manifesto (policy programme).

Greater political flexibility for the Government will, however, mean less managerial flexibility for the BBC. Budgeting for a period without a precise cutoff date will be a much more difficult financial operation.

The actual amount – particularly if the figure falls at the top end of the expected range – will probably mean that most of BBC's existing services will be guaranteed this time round.

Plans for expansion – the completion of the network of local radio stations, making a start on a new £100m headquarters for the corporation and extra funds for expensive programme categories such as drama – would probably have to be postponed, however.

It is understood that the inquiry will concentrate on the financing of the BBC rather than on the entire structure of British broadcasting as many people in the broadcasting industy have urged.

Much will depend on what the terms of reference for the inquiry turn out to be. But they would probably be flexible enough to include a look at the effects of any proposed changes – such as a measure of advertising on the BBC – on other parts of British broadcasting.

It is not clear at this stage what effect such uncertainty over the future of the BBC will have on the direct broadcasting by satellite (DBS) project in which the BBC is due to take a 50 per cent stake.

Companies may launch journal to cover serious ITV issues

FINANCIAL TIMES REPORTER

THE INDEPENDENT television companies (ITV) are considering setting up a weekly journal to cover the serious issues of commercial television in the way The Listener does for the BBC.

Mr David Plowright, chairman of the Independent Television Companies Association (ITCA) and managing director of Granada Television, is already looking for an editor for the journal, which might begin publishing early next year.

"There is a need for a forum for serious discussion of broadcasting matters, in particular one that is independent of the individual companies," Mr Plowright said yesterday.

The decision on whether to go ahead with the project will probably be taken by the ITV companies later in the spring.

Mr Plowright believes there is a particular need for such a journal at present, with an inquiry likely into the finances of the BBC and greater uncertainty over the future of broadcasting than for many years.

Mr Paul Fox, managing director of Yorkshire Television, argued the case for such a publication in, ironically, an article in The Listener last year.

The need for such a weekly has increased because of the advent and critical success of Channel 4. Mr Russell Twisk, editor of The Listener, which was founded in 1929, said yesterday that he was delighted at the prospect of an ITV weekly. He said: "The competition will sharpen us up. It will also make the BBC take The Listener more seriously."

It would, he hoped, expand the overall market for The Listener, which is now selling 38,000 copies a week – the highest number for many years.

One obstacle facing the ITV proposal is that it coincides with five months in which advertising revenue has actually shown a small absolute decline.

Such a journal would inevitably lose money in its early years. The initial losses would probably be more than £250,000 a year.

Cuts planned in £4bn state medical bill

BY CARLA RAPOPORT

THE GOVERNMENT is planning to cut its £4bn a year bill for family medical services in ways which are expected to provide a boost to Britain's private health care sector.

Mr Kenneth Clarke, the Minister for Health, said at a Financial Times conference on private health care in London yesterday that his department was preparing a Green Paper (consultative document) aimed at achieving cost savings in its family medical services bill.

The Green Paper, which will be released this summer, is likely to encourage the use of private general practitioners (family doctors) instead of those employed by the National Health Service (NHS).

Mr Clarke commented that if more people chose to go into private primary health care, that would provide "the same benefits for the consumer" that were provided by having a healthy private hospital sector.

Spending on family medical services has jumped by 134 per cent since 1979, from £1.7bn to £4bn. At the same time, the NHS total expenditure has increased by 115 per cent to £16bn a year.

Mr Clarke refused to speculate on the specifics of the Green Paper. Another conference speaker, Mr J. R. A. Chawner of the British Medical Association, suggested that the Government could abolish the regulation that prevents a general practitioner from taking on his or her own patient as a private patient.

He also said there was "a strong case" for some sort of tax concession for private health care insurance premiums.

Mr Clarke emphasised that private medicine posed no threat to the NHS. "By drawing on other sources of finance, it adds to the stock of available health services," he said.

"There are dangers in being a monopoly supplier or employer and the NHS is not free of that danger," he said. "The private sector shows that there are different ways of doing things, sometimes more efficient ways."

He said the Government was interested in seeing "much more" co-operation between the NHS and the private sector. He added that regional health authorities must now take the initiative in seeking outside tenders for all sorts of non-medical services, including vehicle maintenance, electrical work, gardening and building repairs.

The private health sector needed to package its services more economically, according to Mr David Lowe, manager of employee relations systems of British Airways (BA).

Mr Lowe said that the cost of private health insurance and private health care was rising much too quickly. The costs per person covered in BA's health insurance scheme had risen over 20 per cent in 1984, compared to 1983. "If that continues, my company will seriously consider withdrawing from its present position of paying for health cover for its staff."

He suggested that to reduce its costs, the private health care sector should offer cost-efficient packages of treatments for common medical problems, along the lines of inexpensive package holidays offered by the airlines.

FINANCIAL TIMES
Private health care
CONFERENCE

"It seems to me that you are still living in the 1950s and 1960s by travel industry standards, and attempting to charge separately for each part of medical treatment, perhaps making over-generous profit margins at the same time," he said. "If present cost trends continue, there will be no profits for anyone."

Mr Lowe also recommended that the NHS should seek to provide first-class private facilities within its hospitals, along the lines of Virgin Airway's first-class section. "It seems an excellent business proposition if all NHS hospitals, with high quality medical facilities, sold private health services at market prices and generated real revenue that would help pay for expansion of NHS facilities."

He continued: "All they have to add is private beds at the standard of the private sector; high quality meals and television are very cheap to provide compared with the added-value of the product," he said. For this to happen, both sides must have a clear understanding of costs so that prices of selling services from one sector to the other could be clearly determined.

Mr David Lock, managing director of Private Patients Plan, also spoke on the need for cost containment. He said that the efforts must be undertaken jointly by all those in the field.

"Patients must be cost-conscious and not adopt the attitude that the insurer will pay," he said. Employers must encourage this attitude, while hospitals must concentrate on providing a good standard of medical care rather than maintaining "the quality of their wine cellars."

He said doctors should avoid referring patients to high-priced hospitals regardless of their medical condition.

Other speakers at yesterday's conference included Mr Robert Graham, chief executive of Bupa, Mr Oliver Rowell, general manager, Nuffield Hospitals, and Mr Gordon Webster, managing director of NEL Permanent Health Insurance. Chairman of the conference was Sir Alec Merrison, former vice-chancellor, Bristol University and chairman of the Royal Commission into the NHS.

Exporters set to repeat 8.5% volume growth

BY ANDREW ARENDS

UK EXPORT volume grew by 8.5 per cent overall in 1984 compared with the previous year, according to the British Overseas Trade Board (BOTB).

Speaking at the publication of the BOTB annual report yesterday, the chairman, Lord Jellicoe, said that British exporters should be able to achieve a similar rise this year.

Lord Jellicoe said that excluding oil exports British manufacturing exports grew by 10 per cent in volume terms in 1984 compared with 1983. This was roughly equivalent to the growth in the volume of world trade in manufactures.

Over the last year, UK manufacturing exports to the U.S. increased by 33 per cent, in volume terms. This compared favourably with German manufacturing exports, which increased only 30 per cent in volume terms.

However, Italy, Japan and France outstripped the UK in taking advantage of the weak dollar and the booming U.S. economy, increasing their manufacturing exports by 46 per cent, 37 per cent and 35 per cent respectively.

Western Europe, including the European Community continued to be the largest market for UK exports. In 1984, including oil, this area took 57 per cent of all UK overseas trade.

This compares with 49.8 per cent in 1974. Excluding oil, however, growth in trade has been less pronounced.

Manufacturing exports to this area has increased its share of UK trade from 46.4 per cent in 1974 to just under 51 per cent last year. Within continental Europe the European Community now accounts for 38.7 per cent of UK manufacturing exports.

Export growth in 1984 was particularly high in the lighter manufacturing and high-technology sectors. Exports of office machinery, data processing and information technology rose by nearly 88 per cent in volume terms, according to the BOTB. Industrial machinery exports improved by more than 65 per cent.

Lord Jellicoe emphasised that individual companies were achieving this progress. He said the BOTB provided help "at the margin," in particular to small and medium sized companies that did not have the exporting experience and resources available to larger corporations.

In the 1984-85 financial year the BOTB spent £27.5m in direct expenditure on export services. Total expenditure was £45.3m compared with £39.6m in the previous year.

British Overseas Trade Board 1984 Annual Report, Room 235, 1 Victoria Street, London SW1H OET.

Distribution of UK Manufacturing Exports by area (per cent)

Area:	1974	1984
EEC	31.8	38.7
Rest of W. Europe	15.6	12.2
North America	14.3	15.8
Other Developed Countries	11.5	4.3
Oil Exporters	7.7	10.3
Other Developing Countries	15.7	15.8
Centrally Planned Economies	3.4	2.9

Source: BOTB

INLAND REVENUE LEVY COULD AFFECT 12,000 MEMBERS

Extra tax demands at Lloyd's

BY JOHN MOORE, CITY CORRESPONDENT

MORE THAN half the members of the Lloyd's insurance market in London have received additional tax assessments from the Inland Revenue after a probe by the Revenue's special investigations unit into various insurance arrangements.

About 12,000 members of Lloyd's could be affected by the Revenue's additional tax levy. The Revenue has been carrying out a market-wide investigation into Lloyd's insurance arrangements in an effort to discover amounts of funds which should have been declared for tax purposes.

So far the Revenue has disputed more than £100m of funds which have been lodged offshore by Lloyd's underwriters as "rollover" arrangements. The underlying commercial purpose of these arrangements has been questioned by the tax authorities.

The Revenue is also questioning the commercial purpose of Lloyd's reserving policy. The Revenue is studying the way in which Lloyd's has built up £2.7bn of funds for future losses. Tax officials are asking for detailed justification from underwriters for the amounts set aside.

Because of the seriousness of the situation, underwriting agents affected by the probe have formed an ad-hoc committee. Two of the largest underwriting agency groups are represented on the committee, Sturge Holdings and Merrett Syndicates. Mr David Coleridge, deputy chairman of Lloyd's and head of Sturge Holdings, sits on the committee as does Mr Stephen Merrett, head of the Merrett agency.

The committee plans to co-ordinate the response to the Inland Revenue of the agents involved in the dispute with the Revenue. It is intended that test cases are allowed to go forward in order to argue the commercial purpose of certain insurance arrangements.

It is understood that syndicate number 417/418, which is managed by the Merrett agency, is to be one of the syndicates which the committee is to put forward as a test case.

So far over 90 insurance syndicates, into which members of Lloyd's are grouped, are affected by the Inland Revenue probe. The notice of additional assessment sent out by the Revenue relates to the 1976 underwriting account and the tax authorities intend to check subsequent underwriting accounts in an effort to find possible undisclosed tax items.

Individual amounts assessed for extra tax are relatively small, ranging from £70 for each £10,000 of insurance business accepted by underwriters to over £600 for each £10,000 of business accepted. The amounts assessed for extra tax will be charged as additional profit, for be applied for reducing underwriting losses.

Pointer to little change in mortgage rates

BY PHILIP STEPHENS

THE TREASURY'S internal economic forecasts suggest that mortgage rates will stay at, or only slightly below, present levels for most of 1985, despite its public optimism that the recent rise in borrowing costs might be quickly reversed.

The building societies put up their rates last week to an average of 14 per cent, the highest for three years, in response to the continuingly high level of bank base rates.

Mr Nigel Lawson, Chancellor of the Exchequer, said the increase would be in effect for "considerably less than a year," although he gave no specific forecast on the outlook for interest rates.

The Treasury view, however, is discernible from the economic forecasts published in the financial statement and budget report (the Red Book) published to coincide with last week's budget.

Included among the forecasts is a prediction for the contribution of increased housing costs to the overall inflation rate at the end of this year and in the first half of 1986.

That foresees housing costs rising by an annual 7 per cent in the fourth quarter of 1985 compared with the last three months of 1984, against an overall rise in the retail price index of 5 per cent.

As well as mortgage interest payments, the figure for housing inflation includes council house and private rent charges and rates, water charges and maintenance costs.

By taking into account the Government's own forecasts for council rents and rates and water charges it is possible to extrapolate the Treasury's assumptions on mortgage rates.

The process, although not entirely precise, indicates that Mr Lawson is resigned to a mortgage rate of between 13 and 14 per cent for the last three months of the year.

GEC defence arm extends with Yarrow takeover

BY ANDREW FISHER, SHIPPING CORRESPONDENT

GENERAL ELECTRIC Company (GEC) is extending its widespread defence activities into warship-building with the £34m purchase of the Yarrow warship yard on the Clyde.

The deal, confirmed yesterday, is a small one by the standards of a group with a spare £1.6bn or so to spend – "just a dip into their back pocket," said one City of London analyst – but fits logically with some of GEC's current defence contracting.

Yarrow, in which GEC was rivalled by the Trafalgar House group in the bidding, is owned by British shipbuilders (BS), formed in 1977 when the industry was nationalised.

BS makes heavy losses, though these are now coming down sharply after tough action on productivity, shedding of jobs and sale of some loss-makers, and a drive for new orders. Yarrow, however, with its steady naval frigate business is a profit-maker.

It made a trading profit of £11.2m in the financial year to March 31, 1984, up from £7.9m the year before. Turnover was £99.6m against £79m. Its present order book is worth about £450m and it employs 5,300 people.

GEC did not feel obliged to comment on its strategy after Mr Norman Tebbit, Secretary of State for Trade and Industry, stated in the House of Commons that GEC had, as expected, beaten Trafalgar House in the bidding.

But stockbroking analysts saw the move as a fairly logical one for the group, especially if GEC proved able to bring some more marketing muscle into selling ships overseas.

Yarrow is working on one foreign order, for an unnamed Middle Eastern customer, but like the other BS warship yards being sold off, its business is basically with the Royal Navy.

The yard is the first to be sold under the Government's policy of privatising the sector, leaving BS mainly with its merchant business, which it is now trying to haul round into a break-even position.

Still to be formally put up for sale are the Vickers submarine yard in Barrow-in-Furness, Vosper Thornycroft in Southampton, and two yards which have also made merchant vessels, Swan Hunter on the Tyne and Cammell Laird

Several GEC companies provide equipment for the Type 22 and Type 23 frigates that Yarrow is building for the Royal Navy.

Labour plans change in election strategy

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE OPPOSITION Labour Party will fight the next general election on a manifesto (policy programme) which stresses that a partnership between the two sides of industry is "the only sensible way to run a modern economy."

The manifesto will play down the role of public ownership and public spending and will concentrate on getting the message across to ordinary voters.

A draft outline of a joint statement, to be adopted by the party and by the Trades Union Congress (TUC) at their autumn conferences, was agreed in outline by party and union leaders at a meeting of the TUC-Labour Party liaison committee

The draft represents considerable sober reflection on the party's manifesto in the 1983 election, which it lost. That contained, in its key economic section, detailed plans for a national economic assessment which would be the forum in which government, unions and industry agreed a prices and incomes deal.

The draft preserves the "partnership" approach between government and industry, but stresses that the style of presentation of this approach must be a popular one.

The document says that it is imperative to avoid "unhelpful and confusing terminology" – such as the national economic assessment itself.

There has been agreement that two issues, regarded formerly as central to Labour thinking, should be downplayed. The role of public spending is to give way to greater stress on the need for investment in industry; and the part played by public ownership in a future Labour programme is also played down – although new forms of ownership are to be encouraged.

Central to the draft is an enhanced place for collective bargaining – with the emphasis placed on widening the bargaining agenda to include discussions on how a balance is to be struck between consumption and investment.

This will not be presented as an old-style incomes policy, but will effectively involve the unions in difficult choices over expenditure at macro and micro levels.

The draft is likely to be considered again by the liaison committee before being finalised in early summer. It will then go to TUC Congress in September and Labour Party conference in October. It is intended to form the main part of the party's economic policy.

Civil Service union avoids legal clash

A LEGAL clash between the Government and the Civil and Public Services Association (CPSA), the largest Civil Service union, was averted last night by the union's national executive.

The executive voted 11 to 10 to abide by a writ issued by the Government last week and to abandon a strike vote being held in breach of the Trade Union Act 1984. Instead, the union will hold a secret ballot in accordance with the Act to determine whether its 150,000 members will hold a one-day strike in protest at a pay offer of 3.9 per cent.

The CPSA's decision to obey the Government's labour legislation represents an important defeat for the union's hardline Left. Other left-wingers united with the centre-right to force through the change in the previous 14-4 vote to defy the law.

□ A £6.5bn merger between the Leeds Permanent and the Leeds and Holbeck building societies has been called off. It would have been the largest merger in the movement's history. A joint statement said the societies had been unable to agree revised terms.

□ PRINT workers at the Sun newspaper continued industrial action in defiance of a High Court order. Two print unions may now face contempt of court actions.

The court order obtained by News Group Newspapers, publishers of the Sun and the News of the World, requires in part the National Graphical Association, the print union Sogat '82 and 10 named officials to withdraw directives to members to take industrial action.

A dispute has halted the Sun for a week while the News of the World lost a major part of its print run on Sunday.

□ A SWEDISH-based company has applied to the Department of Trade and Industry for a licence to operate private telecommunications services by satellite in the UK.

The company, European Business Satellite (EBS), hopes to put up two telecommunications satellites, the first private-sector satellites aimed specifically at the business market.

Mr Leif Lundquist, chairman of EBS, hopes to be able to offer services such as private corporate networks, video teleconferencing, certain value-added networks services and data base dissemination.

□ THE GOVERNMENT ruled out the idea of an independent pay review for teachers as leaders of the largest teaching union warned that the present industrial action was likely to be stepped up still further after Easter.

UK NEWS

British Alcan takes hard route to profitability

When in 1982 the UK's two leading aluminium producers merged, it seemed likely that one of two plants would be closed. Instead, the new company has run both operations – one in Wales and the other in Scotland – as a single business and claims that production costs and performance are now in line with Europe's best. ROBIN REEVES reports.

"OUR CHALLENGE has been to make two and two equal five, not three," says Mr Brian Kemp, managing director of British Alcan Sheet. For the past two years, he has been immersed in the task of rebuilding a viable, expanding business out of the previously independent aluminium rolling operations of Alcan UK and British Aluminium.

The 1982 merger between the UK's two leading aluminium producers set the scene for a restructuring of UK common aluminium alloy production capacity. The principal rolling operations of both companies had been losing money heavily since 1979, under the impact of the recession and stiff competition from imports.

Outright closure of either Alcan's Rogerstone mill, South Wales, or British Aluminium's Falkirk rolling facilities in Scotland, looked a distinct possibility.

In the event, the merged company chose the seemingly harder route to restoring profitability by deciding to keep both sites. Mr Kemp and his management team, four ex-Alcan and four ex-Baco men, were given the task of pulling the Welsh and Scottish plants together as a single business and raising their output performance to international standards.

Mr Kemp concedes that there were "severe failings" in sales and that deliveries had to be tackled with vigour.

"Last year was the year for sorting out the *fundamentals* of the business and getting our house in order," he says. "We have now arrested five years of decline at Rogerstone and Falkirk and made ourselves price-competitive. This year, we must claw back a sizeable share of the UK market which has gone to European producers in recent years."

In the first six months of last year, British Alcan Sheet made a small profit. The parent company, British Alcan, turned a deficit of £29m at the time of the merger into a profit of £25m.

This balance-sheet improvement is encouraging, given that the survival strategy got off to a distinctly inauspicious start. The Rogerstone workforce staged a protest strike in spring 1983 over its most painful element – a 40 per cent reduction in the combined manpower of both plants to just under 1,500 workers. They were unimpressed that the majority of the 1,000-plus redundancies were being borne by Falkirk.

The job losses were eventually accepted, setting the scene for the rolling operations at both plants to be run as a single business.

Under the rationalisation plan, Rogerstone's production of extrusions and circles was handed over to other British Alcan subsidiaries. But the site otherwise kept its basic rolling capacity – three *cold rolling* mills, remelt furnaces and its then recently modernised hot mill.

Falkirk, on the other hand, lost its hot mills, three of its four cold mills, and circles production. This left the Scottish rolling operation with just one cold mill, remelt furnaces and a cut-up line.

Despite these cutbacks, such was the previous under-utilisation of capacity that British Alcan Sheet has maintained the pre-merger combined output of the two plants at some 100,000 tonnes a year. Kemp reckons there is now scope for a further 20 per cent increase in output, without more investment, given the increase orders which the company is seeking.

Basic management of the new configuration has not proved particularly complex. Rogerstone concentrates, in the main, on coil production and Falkirk on sheet, the latter receiving its hot-rolled coil supplies for re-rolling by rail overnight from Rogerstone. This means that, in practice, individual customers' orders are handled in their entirety by one or other site.

That said, there is some overlap in cold rolling and levelling facilities, which provides some useful flexibility when one site is in danger of being overloaded. Visual information exchange units have been installed to allow the management to keep in close touch with loadings at both plants.

Mr Kemp stresses that the hiving off of coil and sheet production and marketing into a separate company has been a vital ingredient in the turnround. "It has meant that managers have had a limited number of things to think about. Previously, they were having to deal with too wide a spread of products and problems."

There was no single reason for the previous production and marketing weaknesses. Poor scheduling, high absenteeism, bottlenecks at key stages of production and inadequate investment all contributed.

"Putting things right has been a matter of attending to detail at all points in the production chain and winding up the whole performance of both plants; in short, hard-nosed production management."

A concerted attack on energy costs, for example, has reduced fuel bills by 20 per cent in 18 months. *Measures to eliminate bottlenecks* have included reorganisation of ingot scalping, the introduction of a third shift on the hot line and annealing furnaces and automatic loading of processing machines.

Quality improvement measures have included tapping the expertise of Alcan's West German subsidiary to raise surface quality standards, and introducing maintenance crews for each machine area in place of a central maintenance department, which has greatly reduced the incidence of breakdowns and internal scrap generation.

The most recent quality boost is the installation of a £350,000 computerised shape control unit at Rogerstone. This has not only freed the mill operator to concentrate on other aspects of rolling, but it is also opening up opportunities in the automotive, general engineering and packaging markets, where thinner, flatter, aluminium is required.

These performance gains have involved a certain amount of capital investment. Overall, some £3m has been spent so far. Investment of a further £4.25m is planned over the next 12 months.

The net result, says Kemp, has been to bring British Alcan Sheet's costs of production and general performance into line with the best in Europe. But the move from marginal profitability to adequate return on capital, he stresses, is only going to come from a larger order book.

To this end, *discussions* are being held with continental aluminium producers about the possibility of their purchasing Rogerstone hot rolled coil for re-rolling. But the company's main sales expansion target is the UK market for standard specification coil and sheet in the hands of aluminium stockholders.

The UK rolled aluminium market is in three sectors: beverage can stock (55,000 tonnes a year); special products ranging from litho and aircraft sheet to closures and foilstock (145,000 tonnes); and stockholder grades (80,000 tonnes).

British Alcan Sheet reckons to have some 20 per cent of the UK can stock market (through imports from its German subsidiary) and about half the special products market. But its share of UK stockholders' business, where it should be strong, is only 20 per cent. Imports, on the other hand, account for 70 per cent.

Price is clearly very important to stockholders and the recent slide in the pound must help to make British Alcan Sheet's material more attractive. But so too is delivery.

At the end of 1983, some Rogerstone deliveries were running up to three months late, as a result of scheduling problems and a sudden shortage of metal which hit other European producers. Since then, there has been a dramatic improvement and the delivery timetable is generally being met – not least because meeting the delivery schedule has been given priority over all other considerations.

Conti-Gummi may boost tyre output

BY JOHN DAVIES IN FRANKFURT

CONTINENTAL Gummi-Werke, West Germany's largest tyre manufacturer, is considering ways of boosting production at its Newbridge plant near Edinburgh in Scotland, including the possibility of introducing six-day working.

The plant at present works around the clock five days a week to produce about 13,000 tyres a day.

Because of the cost advantages of the plant, Conti-Gummi is examining ways of increasing output to about 18,000 to 20,000 tyres a day in the "medium term" of the next two to four years.

Conti-Gummi, based in Hanover, said yesterday that Newbridge might become a six-day operation with an extra three shifts of work. Such a move would create new jobs, but it was not clear how many.

The company stressed that no definite decisions had been taken but, on the assumption that trends in the European motor vehicle industry continued, the company wanted to see increased output at Newbridge.

After many years as a lossmaker, the Newbridge plant has been profitable during the last two years as a result of rationalisation measures *and an improved product mix*, including high-performance tyres.

Costs of production at Newbridge are among the lowest in Conti-Gummi's network of Continental and Uniroyal tyre factories in Europe. But its advantages are offset to some extent by transport costs, and its prospects could also be affected by shifts in European currency exchange rates.

Conti-Gummi has streamlined its European production network in recent years, introducing greater specialisation at its factories and phasing out tyre production at one large outdated plant in Hanover.

In its inter-linked production network, Newbridge has been concentrating on output of tyres for cars rather than trucks and exporting more than half its output to continental Europe.

Newbridge has about 760 employees, with a further 140 involved in distribution of Conti-Gummi products throughout the UK. Its output of 3.3m tyres last year made up 14 per cent of Conti-Gummi's total tyre production.

The turnround at Newbridge is in contrast to the fortunes of some other UK tyre plants, which have been struggling to cope with difficult market conditions and fierce competition.

هكذا من الأصل

TECHNOLOGY

EDITED BY ALAN CANE

MORGAN CRUCIBLE TIES ITS FUTURE TO NEW MATERIALS

Ceramics glow in the melting pot

BY ELAINE WILLIAMS

WHAT IS the common denominator for a military laser, mixer tap valve and plough share tip? The answer is that they both depend on expertise in ceramics engineering.

These ceramics-based components are also becoming an increasingly important business for the Morgan Crucible group. Morgan Crucible is one of the largest companies in Europe which specialises in ceramics. In the last five years ceramics has grown to represent 13 per cent of the group's business and the percentage is set to increase for the foreseeable future.

Ceramics for advanced engineering applications is forecast to be one of the most exciting growth areas in materials technology. Car and aerospace engines will eventually contain large numbers of ceramic components but there are already many areas of industry which is benefiting from the technology.

In the past year or so Morgan Crucible has reorganised companies within the group which deal with ceramics under the umbrella of its Morgan Matroc subsidiary. The division had grown by a number of acquisitions in recent years. Demand is growing for ceramics and the company wants to expand its markets.

> Ceramics for advanced engineering applications is forecast to be one of the most exciting growth areas.

The origins of Morgan Crucible's involvement in ceramics go back as far as 1907 when the company started supplying components for gas lighting.

Today, it competes in a very diverse industry against companies such as Kyocera in Japan and Rosenthal in West Germany. New competitors such as Fairey Tecramics, set up within the last month or so, are also trying to build up expertise in this growth technology.

Morgan Crucible invests several million pounds a year in research and development, though it does not attempt to cover every field of materials technology. Mr Bruce Farmer, the group managing director, said: "We are concerned to have a basic materials technology but we are not too proud to buy in expertise."

Morgan Matroc, for example, does not compete in the mainstream of ceramics components such as substrates of electronics components but looks instead for niche markets. It concentrates on only a few of the many ceramics materials available for engineering applications. These are toughened and high purity alumina, steatite, cordierite, zirconia, titania-based compounds, silicon nitride and glass bounded mica.

Its factory in Stourport, for example, mass produces self-lubricating valves for domestic mixer taps mainly for the European market. Its largest single application is for the production of bearings for central heating pumps for suppliers such as Danfoss and Grundfoss.

At a smaller facility in East Molesey, in Surrey, workers deal with more exotic types of ceramics and applications. Here, components may be turned out in quantities of only a few hundred or even a handful.

For example, it supplies half the market for a vital ceramic component for expensive gas mass spectrometers. In total, only about 2,000 of these machines are sold each year. Morgan makes a ceramic cylinder which is internally machined to very precise tolerances. The cylinder is part of the gas sensing mechanism.

CERAMICS manufacture is rather like baking with each company having its own secret recipe. Morgan Crucible begins with raw aluminium bauxite which is milled in a large rotating drum and to which waxes and binders are added. These materials help the finely ground particles bind strongly together.

The powder produced by this process is seived and dried to a uniform size. Particles may be only a few microns across. It is their size and consistency which will determine the final strength of the ceramic.

The powder is then formed into a mould and pressure is applied. For example, the armoured vest plate is formed by a 1,000 ton press. The tooling for this mould cost £30,000 alone because there must be no imperfections in the finished vest; otherwise it will not be effective against bullets.

After the moulding process, the part must be fired just as for tableware. Parts may be in the oven for several days and the firing is just as much a black art as the recipe to prevent components cracking during firing.

Much of the Morgan Crucible's research and development is in producing better processes and lowering the firing temperature of components. The company has invested £750,000 in a hot isostatic press which can be used to produce large ceramic parts and is investigating the application of injection moulding to ceramics manufacture.

Many applications do not need high operating temperatures so there are savings in reducing the firing temperature. This is particularly true for the mass produced parts which are used in electrical insulation or valve components. So far, Morgan Crucible has managed to lower the firing temperature for silicon carbide components from 1,400 deg C to 800 deg C.

Workers have produced prototype artificial hip joints, armoured vests for the army in Northern Ireland, laser guides, tips for sugar beet plough shares and sensors for boiler controls—all based on ceramic materials.

Recently, the compay set up an experimental manufacturing unit to produce zirconia parts, in particular sensors for measuring air-to-fuel ratios in large industrial boilers.

> Workers have produced prototype artificial hip joints and armoured vests

A small clean room facility has also just gone into operation at East Molesey to make artificial hip joints. Morgan Matroc makes the ball joint which is connected to the end of a stainless steel pin produced by Thackerays. Ceramics can at least double the life of an artificial hip joint. So far, no clinical trials have taken place in the UK, though in other countries such as West Germany, ceramics accounts for about 10 per cent of all hip operations.

In a joint development with the RSRE in Malvern, the company has built a ceramic guide for lasers which reduces the size of the equipment. The guide has to be made of very pure alumina and machined to close tolerances to ensure that the laser will follow the track. This allows equipment such as laser gun sights can be one half or one third the normal size, for example — small enough for soldiers to carry on the battlefield.

It is these type of specialist applications requiring a high degree of engineering know-how which Morgan Matroc hopes will form the basis of its future business.

Micro firm with mainframe ambitions

Professional Personal Computing

BY ALAN CANE

MICRO FOCUS, the UK based quoted computer software company, is remarkable as much for the way it seems obstinately to stay ahead of its competition as for the innovations built into its products.

Its latest launch, "Workbench" is no exception to this general rule. It is a piece of software which makes it possible for a professional programmer to write, edit and test a mainframe Cobol program on an IBM personal computer prior to compiling it and running it on a mainframe.

In software terms, that is quite an achievement. One measure of how far Micro Focus is ahead is that there is still no real competition for its previous products "Animator." "Level II Cobol" and "Forms," all of which now form part of the Workbench package.

These software "tools" could be of critical importance to the software industry as it tries to boost productivity and cut costs. Some 75 per cent of the cost of new software is generally reckoned to be taken up in coding and testing.

So it is not surprising that one major electronics company reckons that by using Workbench it can cut by half the £750,000 annual bill for computing run up by just one of its major project teams.

One reason for Micro Focus's success, according to Mr Peter Hewitt, a senior marketing executive, is that the company directs its efforts towards the data processing department and the microcomputer as a tool to help solve mainframe computing problems rather than towards the microcomputer.

"The people at the top of companies like Microsoft and Digital Research were fascinated by micros and microcomputing. Micro Focus was interested in micros as development tools. If we had been in existence five years earlier (it was founded in 1976, just as the microprocessor revolution was starting) we would have written mainframe productivity aids."

Compiler writing is the key to much of the Micro Focus's expertise. It is among the most demanding of software skills. When the company's Level II Cobol was certified at the highest level by the U.S. Federal Government in 1982, it joined an august group of only seven other vendors with compilers accepted at a similar standard.

Compilers are difficult to write because of the attention to minute detail required. They are the essential link between machine language—extremely simple and detailed instructions which drive the computer directly—and high level languages, powerful, English-like instructions which can initiate whole sequences of machine language commands.

Mainframe programs, especially for batch work, are usually compiled. All the high level language instructions are turned into machine language before the program is run. Microcomputer programs used to be interpreted—each instruction is translated, one at a time between high level language and machine language. Now the trend is to complication for the more powerful 16 and 32 bit micros.

What made its Level II (which means full featured) compiler unique was the fact that it was written in Cobol, the most common business computing language.

Mr Hewitt says: "We could not have developed the Workbench so quickly if we had not written the compiler in Cobol."

Using a high-level language gave two advantages—the compiler was portable, it could be moved easily from machine to machine no matter what architecture was involved, and it was easy to maintain.

The Workbench, at £125 a month per workstation, makes it possible to write, edit, compile and test Cobol programs on an IBM PC or one of its clones before sending the raw instructions (source code) back to the mainframe for recompilation.

Existing programs can be downloaded from the mainframe to the PC for similar treatment. Micro Focus believes there will be a demand for Workbench from companies moving from the existing Cobol standard Ansi 74 to the new standard Ansi 85, adopted by IBM. According to Mr Hewitt one of the key technical features of Workbench is the fact that statements written in Ansi 74 Cobol can coexist with statements written in Ansi 85 in the same program.

Why should any company — General Dynamics of the U.S., for example, an early customer — want to write mainframe Cobol on a micro? The two chief reasons are the cost of mainframe time — typically a programmer might use £20,000 of computer time a year — and capacity.

Capacity planning — estimating how much computer power a company requires — is the data processing manager's nightmare. Even giant new machines like IBM's 3090 series can be filled within weeks of installation.

So the wheel has turned full circle. Early programmers wrote their programs on coding sheets to be translated into holes in punch cards by data entry staff and run on the mainframe. The move to on-line programming brought massive increases in programming productivity. Now the programmers are being pulled off the mainframe again, but products like Workbench suggest that productivity will be maintained.

In a purely financial sense it is worth reflecting that Micro Focus, with its dedication to developing microtools for the mainframe environment, could be around long after today's high flyers, centred on the uncertain personal computing would, have gone.

Security

Detecting movement

SECURITY GUARDS, who often have to peer at closed circuit television screens for long periods, could become more effective or possibly replaced by a movement detection system offered by Vision Research Company of Portsmouth (0705 822903).

A computer added to the TV system examines the television picture frames and can detect if any of the picture elements has altered. It can pick out a person moving outdoors despite a background of birds or other normal changes of scene content. Some 4,000 sensitive zones per frame allow large areas and distances to be covered.

As soon as it detects an intruder, the system, called Digiplex 4,000, marks his track on the screen and puts a record on the videotape. A video memory is also activated

It is possible to de-sensitise any of the 4,000 screen zones, so that detection takes place only in certain parts of the picture. This allows roadways for example, to continue to carry traffic without raising alarms.

Point of sale

Registers

SIEMENS AND ADS-Anker have agreed on the joint development of electronic cash register systems for the expanding point-of-sale market.

The agreement brings together Siemens' powerful background in communications, data and semiconductor technology and Anker's many years of experience in the cash register business.

KODAK LAUNCHES VIDEK

Vision systems

EASTMAN KODAK is to form a division called Videk to develop, make and sell intelligent vision systems for use in factory automation and computer integrated manufacturing (CIM) applications.

Vision systems use a television camera with electronics that can "capture" one of the picture frames at any moment and store it. Subsequent computing intelligence recognises, counts, or measures pictorial elements and provides data allowing some manufacturing action to be performed.

Videk will initially concentrate on measurement and surface flaw analysis, providing complete systems including lighting.

Kodak is already known to be taking a keen interest in electronic imaging technology—it is likely at some point to overtake silver halide film in consumer applications. In addition, however, the company has developed and installed 125 vision systems over the past decade to enhance its own manufacturing processes—so Videk will have advantages over other start-up companies in this field.

Material

Metal substrate for chips

SUMITOMO Electric Industries has developed a metal compound of tungsten and copper which has application as a substrate for large-scale integrated circuits.

The company intends to sell the material to ceramic package and semiconductor manufacturers. The tungsten-copper combination is claimed to have good heat-removing properties while still being suitable for the substrate for building silicon chips.

Sumitomo will make the material at its plant in Itami in the Hyogo area. The company hopes that first-year sales will reach at least Y1bn.

The compound is produced by sintering powdered tungsten to produce a porous material. Then, pouring in molten copper to integrate the two metals.

However, the market is likely to be dominated by ceramics for some time to come.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Tuesday March 26 1985

Subsidies for industry

GOVERNMENTS come and go, political ideologies wax and wane but nothing seems to shake the Department of Trade and Industry's belief in its power to pick winners and its conviction that it should nurture sunrise industries. Indeed, by last November its latest Support for Innovation scheme, which channels about £300m a year of taxpayers' money into industry, had become so over-subscribed that the Government was obliged to announce a moratorium. Some big companies had begun to regard the DTI as a financier of first resort when considering new supposedly high-technology projects.

The five month pause was intended to give Mr Geoffrey Pattie, the Minister for Information Technology, time to review the effectiveness of the department's backing for industrial innovation. Yesterday, Mr Pattie announced the results of the review. There is to be a small shift of emphasis: the Government will continue to spend roughly the same total sum but make less money available for projects in individual companies and more for collaborative research, advisory services and schemes for encouraging best practice and tackling skill shortages.

Information gap

A shift of emphasis seems overdue. Yesterday Mr Pattie discussed some of the findings of a departmental analysis of the failings of UK industry. It shows that 25 per cent of companies have not significantly altered their production processes in the past five years, that 40 per cent of managers sampled said their firms had no corporate strategy for dealing with high technology and that only 20 per cent of senior managers have a professional qualification. The DTI concludes from its study that companies pay insufficient attention to technology, that lack of trained manpower is holding back innovation and that the UK's strong science and engineering base in universities is insufficiently exploited.

Mr Pattie's central finding is that there is an information gap: large numbers of manufacturing companies are simply not aware of the new technologies available, their workforces lack key skills and their managers have little idea of best commercial practices. Compared with their competitors, UK companies are poor at gathering business intelligence. In short, despite the efforts of Mr Kenneth Baker, Mr Pattie's predecessor, and the razzmatazz of information technology year the message has still not got through and the DTI needs to beef up its educational role.

This analysis, even if correct, begs several questions. Why has the shift from project support to advisory services been so slight? In future, Mr Pattie intends to spend 30 per cent (rather than 20 per cent) of his industrial R and D budget on advisory services, improvement of skills and so forth. The increase in funds to plug the information gap which is supposed to be at the heart of British industry's problems is thus of the order of £20-£30m a year. The lion's share of resources will be used to support specific projects even though, once again, the DTI has failed to demonstrate that this use of public money actually produces results.

Tougher criteria

The DTI has not given even a rough estimate of the rate of return on cash ploughed into projects under the Support for Innovation Programme. When no hard information is available, the natural conclusion must be that the DTI still lacks adequate monitoring techniques and that it simply does not know whether the money was spent wisely. The DTI's intention to impose tougher criteria for project support in future suggests past laxity. The attempt to target aid more precisely will strain officials' ability to make commercial judgments about companies' need for grants.

Mr Pattie's room for manoeuvre has been curtailed by the large sums already committed to specific companies before November. But a more decisive shift towards advisory services and the encouragement of new skills would have been desirable. In supporting individual projects, DTI officials face an inescapable paradox: money cannot be proffered unless companies can show the project would not otherwise go ahead; yet if a project would not go ahead without public money, can it be worth supporting?

Mr Gandhi sets a fast pace

IT IS OFTEN said that India's problems are so numerous and so entrenched that they are insoluble. It is often Indians themselves who say this. Mr Rajiv Gandhi, the country's youthful Prime Minister, evidently disagrees. Fatalism, he believes, is part of the problem. In his first few months in office he has set out to tackle this self-defeating attitude with commendable vigour.

His first budget incorporated a significant loosening of India's industrial controls. Many more companies will now be able to grow without first referring to India's stifling bureaucracy which administers the country's complex licensing procedures.

Mr Gandhi has served notice on the country's industrial sector that the path to growth lies through efficiency and that this can only come through greater competition. He has begun a selective reduction or abolition of import controls. There is, almost certainly, more to come. India's annual trade policy statement is due early next month and the door to foreign importers will be opened more widely then.

Initiatives

Mr Gandhi has made a start on the problems of inertia and corruption in the civil service and in the private sector. He has launched an attack on the black economy with a pledge to root out the sources of its funds and to take legal action where necessary. He has made extensive personnel changes in the civil service including the replacement of no less than 30 permanent secretaries.

These initiatives followed the enactment of a law to end the widespread practice of political defections whereby MPs could switch party allegiance in mid-term, not out of principle, but for inducements such as money, patronage or the promise of office. By attacking the politics of convenience Mr Gandhi has done much more than prevent MPs in national or state assemblies merely crossing the floor—as often as three times in a day. He has begun the long process of restoring the self-respect of India's parliamentary establishment which, under his mother's rule, had become largely irrelevant to the exercise of power.

All this has been backed up by a series of pronouncements calling for a new work ethic, "a new culture in which results should take precedence over procedures." In short Mr Gandhi, with the authority of a leader who enjoys the biggest parliamentary majority since Independence, has thrown down a challenge to a country which seemed to be losing faith in its ability to solve its own problems.

This is only the beginning. Mr Gandhi will have to sustain his impressive show of political leadership by addressing himself to India's other problems, the most important of which is the endemic poverty of the country's vast, rural population.

Proposals

Despite a significant increase in food production—1984 was a record year and grain stocks stand at an all-time high—India still faces two major problems in feeding itself: raising production fast enough to keep pace with an increase in population of just under 2 per cent a year and improving food distribution and job opportunities in the countryside so that the poorest people have a chance of at least one square meal a day.

On the political front Mr Gandhi will soon have to come up with specific proposals to resolve the simmering dispute in the Punjab, the most acute example of his mother's failure to find a satisfactory answer to the problem of the distribution of power between the centre and India's 22 states.

After the Punjab Mr Gandhi will also have to tackle the troubled states of Assam and Jammu and Kashmir as well as the increasingly vocal regionalism in southern India. To achieve even part of this Mr Gandhi will need to demonstrate that his commitment to a real break with his mother's self-serving style of government is irrevocable.

SOUTH AFRICA: AFTER THE RIOTS

On the 25th anniversary of the Sharpeville shootings, police patrol the troubled townships

Why black anger is boiling over

By Anthony Robinson in Johannesburg

AFTER watching horrific scenes of wild-eyed black youths mutilating the charred corpse of a victim of last weekend's violence filmed by foreign networks, the sophisticated Africaner spokesman of the Ministry of Foreign Affairs sighed. "You know what would be the reaction if we allowed such scenes to be shown here? The whites would mutter 'bloody savages' and the cause of reform would be put back for years."

Instead, the Sunday evening news programme on the state-controlled television devoted less than a minute to long-range panning shots of smoke from burning houses, a Caspir armoured car patrolling the streets with armed policemen and a few words on how the boys in blue had been attacked, before moving on smartly to events in South Lebanon and the sports news.

It was more than an object lesson in news management, it was a graphic illustration of how the most powerful medium of communication is failing to tell South Africans of the tragedy being enacted in their country and contributing to that often wilful white ignorance of the seething frustration and anger in the black townships.

There have been only a handful of white fatalities in seven months of virtually continuous unrest in the black townships. But the revolt of the black majority is coming closer and closer to the carefully insulated white suburbs and to the heart of South African politics.

The rapidly increasing black population and lack of employment, education and other facilities in the so-called black homelands has swamped the panoply of influx control and pass laws designed to keep blacks out. Up to 5m blacks are now living illegally in squalid and overcrowded conditions in township back gardens, illegal shanty towns and squashed into the maids, or gardeners' quarters in leafy white suburban gardens.

Three years of drought have accelerated the inflow, while the last six months of steep economic recession accompanied by high and rising inflation (up to 16 per cent in February and with another boost from the budget coming) have led to a further rise in black unemployment (unofficial figures now put total black unemployment at over 3m).

A high price is starting to be paid for decades of neglect of black urban housing and black education. Speak to black parents and they are worried stiff about the radicalism of their children. Speak to the children and they are dismissive of the passivity and "Yes-Baas" mentality of the older generation. Travel at a white man through the townships in a car without a known black companion and you risk stoning, or worse.

Many township dwellers are recent immigrants from the countryside, but decades of industrialisation, the effects of advertising, television and contact with affluent white society have created a much more sophisticated class of urban black. Where before, blacks were unorganised, they now have trade unions, radical student movements, community associations and membership of political parties ranging from the Zulu-dominated Inkata movement to the banned African National Congress or the United Democratic Front.

Much of the upsurge of radicalism and unrest in the townships can be traced back to the black student revolt against the inequalities of separate "Bantu" education and police intimidation of popular, usually meaning radical teachers. In the eyes of the young, apartheid is equated with capitalism, and youngsters whose most practical need will be to find a job of any kind are rejecting the notion that blacks should be content with inferior jobs and status for ever in a white-controlled economy.

One of the reasons why much of business is calling for an end to apartheid is fear that unless it distances itself now, capitalism in South Africa will share the same eventual fate as apartheid in a possibly bloody take-over by radical elements leading to economic as well as social collapse.

Given the strength of the army and police and the political will of the Afrikaaners, this apocalyptic scenario is still a long way off. But the warnings from the townships can no longer be ignored. White South Africa had 16 years of relative tranquility after the Sharpeville massacre in March 1960 until Soweto exploded in 1976.

Over the last seven months, however, there have been three major explosions. The first came in September as townships in the Vaal triangle around Johannesburg rose against higher rents imposed by unrepresentative local councillors, the second in February when the Crossroads squatter camp near Cape Town erupted in protest against forcible removals, and the third came last week in the Eastern Cape,

Throughout the troubles, however, a casual visitor to white, central Johannesburg, for example, would have been favourably impressed by the numbers of elegantly dressed black men and women holding down well-paid jobs in banks and offices and the apparent lack of tension among the multi-racial crowds in the streets and shops.

Thanks to the job opportunities offered by Johannesburg and the Government's attempt to create a black middle class, Soweto, which boiled over in 1976, has remained relatively calm in recent months. To the dwindling band of optimists, the rise of a black middle class seems the long-term answer—if only blacks will be patient

By its own standards, and those of most conservative whites who have benefited for decades if not centuries from apartheid and racial discrimination in one form or another, the government of P. W. Botha is the most reformist South Africa has ever seen. But it is not perceived that way by blacks, and those few hundred who have been prepared to take the Government at its word and agreed to participate, for example, as local councillors under the 1982 Black Local Authorities Act, are now paying heavily.

The deaths at Langa last week when the police killed 19 and wounded many more on the 25th anniversary of Sharpeville, took place at the point where the crowd was about to enter the fringes of a white suburb. This spared the nervous white inhabitants of Uitenhage the frightening prospect of angry blacks in their front gardens. But when the crowd streamed back into Langa and other black townships, the targets for their pain and rage were precisely those black councillors, black policemen and suspected informers whose willingness to co-operate with the white authorities has made them "sell-outs" in the eyes of most blacks.

The grusome fate of Councillor T. B. Kinikini, his 18-year-old son and three other men—burnt alive and then mutilated by a crazed mob—has been shared by some other perceived "collaborators." For the past seven months there have been little publicised fire-bombings and assassinations of black community leaders elected at polls boycotted by the overwhelming majority. Whatever hopes the Government had of finding "responsible" and moderate black leaders to participate in the so-called "forum" proposed by President Botha at the opening of parliament in January look decidedly less realistic today.

But the very offer of the forum, and the subsequent offer by President Botha to free Mr Nelson Mandela the African National Congress leader, provided he foreswore violence, reflects the growing awareness by the Government of the need to find some way of opening a meaningful dialogue with the black majority.

It is being urged to pursue this course by the American Government, by prominent black leaders like Bishop Desmond Tutu, church leaders of all races and influential businessmen like Harry Oppenheimer, Mike Rosholt of Barlow Rand and Tony Bloom of Premier Milling. Mr Bloom is the most outspoken advocate of opening a dialogue

But the Government appears undecided. At the same time as making an offer to Mr Mandela, the Government is going ahead with preparations for a treason trial of United Democratic Front activists. In the Government's mind, the UDF is merely the ANC in another guise. If it must talk to black leaders it would much prefer to speak to men like Chief Gatsha Buthelezi, who shares the Government's dislike of the ANC and UDF and is strongly anti-apartheid but pro-private enterprise

But the substance of any future negotiations with black leaders can only be about an agenda for scrapping apartheid. That still looks a lot to ask of a government which is too nervous about the white electorate to allow the facts of life to be shown on South African TV screens.

U.S. OPPOSITION GATHERS MOMENTUM

IN THE U.S., South Africa has become an issue that will not go away. When, initially, black-inspired demonstrations started outside the South African Embassy in Washington in November, there was a widespread expectation that the protest would soon fizzle out.

Four months later, the anti-apartheid movement is still growing, and American blacks, though still in many ways the driving force, are only one element in a groundswell of popular opinion that is putting mounting political pressure on President Ronald Reagan to abandon his policy of "constructive engagement" towards Pretoria.

Events in South Africa itself have kept the issue on the nation's front pages and TV screens. The popular ABC television Nightline news magazine broadcast incisive special programmes from South Africa for the whole of last week. But last week's police massacre, shocking as it was to Americans, did little more than provide added momentum

Earlier this year, a national opinion poll showed that about seven of every 10 Americans who had formed an opinion supported the embassy demonstrations. Last month, the venerable Harvard University made the news by, for the first time, selling stock in a company operating in South Africa.

In doing so, it joined a long and growing list of states and cities that have been "disinvesting" their funds from U.S. companies doing business there. The anti-apartheid movement claims that at least $2bn has already been "divested" in this way.

Across a broad front, American corporations have been committing themselves to more active campaigning against apartheid. Of the 350 or so American companies operating in South Africa, more than 200 have significant investments there, with a book value of $2.3bn, according to the U.S. Chamber of Commerce

The most important moves, however, have come in Congress, where several Bills have recently been introduced providing for some form of economic sanctions if Pretoria does not quickly agree to major reforms. This month a bipartisan group of about 100 mostly moderate and liberal lawmakers introduced a Bill in both Houses that would ban new bank loans and investments, computer sales and further U.S. imports of South African gold krugerrands.

Conservative Republicans in the house, saying that Mr Reagan would veto such stringent measures, responded with a less far-reaching Bill. This would deny Federal contracts or economic assistance to businesses that refused to abide by the "Sullivan principles" providing for equal treatment of black and white employees, and direct the U.S. IMF representative to oppose fund loans to any country with an official segregation policy.

As the popular outcry has grown, Mr Reagan has toughened his public pronouncements. He now regularly denounces apartheid as "repugnant." Mr Chester Crocker, the assistant Secretary of State for Africa, warned at the weekend that there would be anarchy and chaos in South Africa unless there was "constructive change."

Even after last week's massacre, Mr Reagan was loath to denounce the Pretoria government. The Administration still believes in diplomatic pressure, not economic sanctions, and claims that it is working. As Mr Crocker put it on Sunday, "ultimately our leverage is political and psychological, not coercive in the direct physical sense."

Reginald Dale in Washington

Men and Matters

Packer packs them in

John Packer never does things by halves. The energetic head of Reid & Taylor, part of the Allied Textiles group, which weaves some of the finest worsted in the world, is known internationally for the jamborees at which he presents his cloth, British workmanship and himself—in that order.

Two years ago, he took over London's Guildhall for an evening, with the Duchess of Gloucester as principal guest. Before that, he lorded it over Venice.

This year, Packer intends to take Edinburgh by storm. He has invited 1,000 guests for an evening at the 17th century Parliament Hall and has secured the presence of Duke of Edinburgh, not known as the Royal family's chief fashion follower.

"It will be the most spectacular gala yet," Packer boasts modestly—though he has one problem to solve: where to accommodate his guests? The date he has chosen for his gala falls in the middle of the Edinburgh Festival and associated Tattoo when the city will be bursting at the seams.

Bill of health

At least two peers—one Conservative, the other Labour—will have no immediate worries when the drug with which they are being treated under the National Health Service ceases to be available at the end of the month.

Lord Winstanley, Liberal peer and former "Radio Doctor," has disclosed that he has "given both noble Lords prescriptions which will carry them far beyond April 1." He describes the drug in question as "quite a valuable therapeutic substance but not an essential one."

Winstanley forecasts that a number of other doctors are likely to adopt the same tactics, so that the initial effect of the Government's move to cut costs by limiting the medicines available under the NHS is likely to be a rise rather than a fall in the drugs bill.

Carpenter's way

"It seems forever," says Leslie Carpenter of his time at Reed International, where he will become chairman when the redoubtable Sir Alex Jarratt retires in July.

The 61-year-old Sir Alex was a top civil servant before he jumped into the magazine and newspaper fray at International Publishing Corporation (IPC), bought by Reed in 1970. Carpenter, 57, has been in the publishing game all his working life.

He intends to keep Reed going in the same direction, with a triple concentration on publishing, packaging, and paint and do-it-yourself products. He has no regrets about last year's £113m sale of the Mirror newspaper group to Robert Maxwell.

"I'm glad we got out," he says, contemplating the effect of the Budget increase in national insurance contributions for those at the upper end of the pay scale on the finances of the Mirror with its highly paid staff.

In recent months, Reed has sold a paper merchanting company and announced the sale of its wallpaper interests to the U.S. It has been weeding out its loss-making paper operations, though it is still involved in paper in the UK and Canada.

Carpenter, whose spare time pursuits are gardening and watching National Hunt racing, reckons his management style will be more "hands-on" than Sir Alex's. He is already chief executive of the group, which Lord (formerly Sir Don) Ryder built up so aggressively in the 1960s and early 1970s.

Red sun

Ah I have already noted, Insol 85 in Monaco is not a gathering of sun worshippers, but a congress of the world's insolvency practitioners.

It is clearly an occasion when sensitivity to appearances is required. Keynote speaker, Maurice Bart, of the World Bank, regretfully declined to wear the conference tie on the grounds that "I thought it might worry the world's bankers' borrowers."

But, at least, the tie is a tasteful tint of azure rather than what might be thought a more appropriate shade of deep red. I am not so sure about the good taste of the souvenir car-sticker handed out to delegates, which reads: "We wound up in Monte Carlo."

"Fifty's a difficult age—young enough to rule Russia but too old for research"

Beanz meanz . . .

Was this a brilliant idea for creating more jobs?—The question crossed the mind of at least one reporter who, visiting the Department of Employment's offices in Westminster, found hundreds of boxes labelled "baked beans" stacked from floor to ceiling in various parts of the building.

Unable to contain his curiosity, he tore a box open to find, not baked beans, but leaflets explaining the Government's job-splitting scheme.

As only 900 jobs have been split since the Government dreamed up that idea, it's probably time somebody spilled the beans.

Defence costs

Struggling inventors, worried that big companies might poach their valuable ideas, can now protect their intellectual property—thanks to an unusual insurance policy.

The Sutton-based Legal Protection Group is offering to pay inventors up to £100,000 to cover the costs of defending a patent or copyright in court, in return for an annual £95 premium.

Legal Protection, however, is not disclosing what action it will take if anybody makes free with its own brainchild.

Open house

A group of City University students was visiting merchant bankers, Kleinwort Benson. After hearing about its noble history, one student asked about the bank's recruitment policy.

"We have come a long way from the bad old days when one had to be the chairman's nephew to work here," came the reply. "Last year, we offered 24 places: eight for Cambridge, eight for Oxford and eight for the rest of the country."

Observer

Letters to the Editor

Now it is up to us all

From the chairman,
United Biscuits.

Sir,—Blaming the Government seems to be all too popular a pastime in this country. It is always easy to blame others, to sit back and demand that "they" ought to do something to resolve our difficulties, "they" being any but us and usually the Government. But the only "they" in a democracy is us, and it seems to me that it is high time we recognised that Governments cannot solve all problems. They certainly cannot create jobs or wealth—that is up to us—"the people."

Mrs Thatcher's Government has reduced inflation to a level which ten years ago would have been considered near impossible; has unshackled the wealth-creators in commerce and industry to get on with their job of creating greater wealth for the nation; has brought the unions within the law which I believe most rank and file members recognised to be necessary and desirable; and in the miners' strike has withstood and overcome a major challenge to the authority of a democratically elected government. The international value of sterling, although now too low, gives manufacturing industry what it had been clamouring for—the chance to export at reasonable margins.

We, the "voters," have done little to help ourselves, however. Rather the reverse, as demonstrated by the figures for manufacturing industry published recently by the CBI and seen in the table below.

In all three categories referred to in the table the UK is the worst performer—that is the road to poverty and to increased unemployment, and is not the *fault* of the Government. We have no-one to blame but ourselves.

Let us stop looking over our collective shoulder for scapegoats but instead act positively to build a better future. Managements must invest sufficiently in new technologies and staff training to ensure a competitive position in tomorrow's world, and trade unions must work with employers to reduce unit labour costs, as other nations have shown can be done while raising the standard of living.

Further, trade unions could make a major contribution to stimulating wealth-creation and employment by establishing "Labour Enterprise Zones" in areas of very high unemployment, within which they would agree to accept in all new plants or businesses starting up:

● one union per plant, covering skilled and unskilled employees;
● a no-strike clause;
● school leavers starting at half the adult rate at most, and not reaching full adult rate until the age of 21;
● rates of pay for adults being at least 10 per cent below the rates outside the enterprise zones.

In the United States people have succeeded in "pricing themselves into jobs." There is no reason why we cannot do the same.

We should acknowledge the major contribution which the Government has made by creating a climate conducive to enterprise. It is now up to "enterprising" managements and unions to grasp the opportunity to become internationally competitive.

(Sir) Hector Laing.
United Biscuits,
Syon Lane,
Isleworth, Middx.

	UK	U.S.	W. Germany	Japan	France
	%	%	%	%	%
Earnings	8.8 (Oct.)	3.7 (Oct.)	3.1 (July)	3.4 (Sept.)	7.6 (July)
Productivity	2.5 (Sept.)	2.8 (Oct.)	4.7 (Aug.)	8.2 (Sept.)	3.4 (Q2)
Unit labour costs	6.3 (Sept.)	1.1 (Oct.)	−2.8 (Aug.)	−6.3 (July)	4.1 (Q2)

Merits of profit-sharing

From Dr C. Grant

Sir,—The advantage that a profit-sharing system has over the pure wage alternative (as discussed by Samuel Brittan on February 25) rests on the simple fact that the profit-sharing firm's labour supply schedule is downward-sloping. Hence, when it changes over to a profit-sharing scheme it will have an immediate incentive to increase employment; and if a sufficient number of firms adopt this kind of scheme, unemployment would be reduced, assuming of course that we start above the NAIRU. It is equally evident, however, that this will entail a reduction in total labour compensation rates, and is therefore the simple classical remedy for unemployment in another guise. The difference is that with profit-sharing, workers have committed themselves to this solution, and it is difficult to see why they would accept automatic wage cuts in situations where they have refused negotiated one-off reductions.

Prof Martin Weitzman's chief claim, however, has been that firms would still have excess demand *for* labour even under "full" employment. He may be one of America's most brilliant mathematical economists, but this is entirely fallacious. His conclusion depends on an assumed failure of the market mechanism: in this case the failure of firms to attempt to attract more labour through the process of bidding-up compensation rates. It is only if they do nothing but wish for more workers that the situation can persist. Indeed, it should not be surprising that his case rests on shaky foundations. For 50 years economists have wrangled over Keynes' contention that a market economy could be in equilibrium with persistent excess labour supply. The debate has involved some of the most sophisticated arguments about the behaviour of consumption, investment and the demand for money. Suddenly we are asked to believe that the reverse phenomenon can occur merely by altering the system of compensation. Unfortunately, it is not true.

None the less, there is some temptation to say that even if it does not have the macro-economic stabilisation properties that have been claimed for it, is not profit-sharing still a good idea if for no other reason than that it involves workers more closely in the firm's fortunes? Psychologically this might well be so, but it has potentially dangerous economic consequences. When labour supply schedules slope upwards it is easy to see the connection between productivity increases—shifting labour demand schedules outwards—and higher real wages. But, with the downward-sloping supply schedules of profit-sharing the initial impact of productivity increases will be to reduce the rate of compensation. Admittedly, the employment effect will perforce be greater; and ultimately the economy-wide rate of compensation might have risen, but it is hard to shrug off the possibility that the distributional consequences of productivity increases could be less favourable to labour than under a pure wage system. This also raises the problem that if the economy suffers from Keynesian-style weakness of investment, any re-distribution towards profits would aggravate the problem of maintaining effective demand. At the very least, it would be likely to put the interest-rate mechanism under greater strain.

While we are on this point about investment, and as long as we are playing the game of "instant panacea"—not wholly removed from "Trivial Pursuits" perhaps—why not encourage firms to adopt a "wage-sharing" system whereby profits are tied to the firm's total wage payments. Analogously to the profit-sharing system, firms would only be obligated to pay some minimum rate of interest on their borrowings, while actual profits would consist of this base component plus some fraction of total wages. Firms would thus have an incentive to hire more workers, raise wages, or both, as well as having an incentive to increase investment as the cost of borrowing falls. This higher level of investment would then support higher real wages at any given level of employment, or more employment at any given level of wage rates.

(Dr) Charles Grant.
57, Maltravers Street,
Arundel, West Sussex.

Lower pay, more jobs

'We did something about it: the only thing we could . . .'

By Philip Bassett, Labour Correspondent

"YOU CAN either give a lot to a few, or a lesser amount to more people. We decided that the priority has to be bringing in as many youngsters into the industry as we can."

Mrs Thatcher on wage cutting? Mr Nigel Lawson in the Budget? Mr Tom King, Employment Secretary, talking about his new Green Paper on the future of wages councils? No: the significance of this view is that it comes from a trade union official.

Paul Gallagher is the north-west executive council member of the Electrical, Electronic, Telecommunications and Plumbing Union. No stranger to controversy in many areas—opposing the miners' strike, taking Government money for ballots, signing "no-strike" agreements—the electricians' union is the signatory to a remarkable agreement in the industry which seems to exemplify the Government's labour market theories.

The principal Labour and union charge against last week's Budget measures on jobs, and the wages council consultation document, is that there is no proof to back up the ideology. "There is no evidence behind this move," says Mr Norman Willis, TUC general secretary, "only prejudice."

Mr King reaches for the EETPU's deal as proof positive. "It's a very interesting agreement," he says. "What the deal shows is a real level of pay—and that appears to have led to a significant increase in the employment of young people."

Employers in the industry are both less sure and less concerned with the deal's theoretical impact: they're interested in its practical value.

Mr Harry Simpson, director of the Electrical Contractors' Association, is unhappy that the deal is being used to buttress political arguments:

When the ECA and the EETPU struck their deal in late 1982, other employers were keen to follow suit. "A lot of people are greatly interested in the idea of getting the wage rate down," says Mr Simpson. "But when they see the totality of the deal, they can't do it."

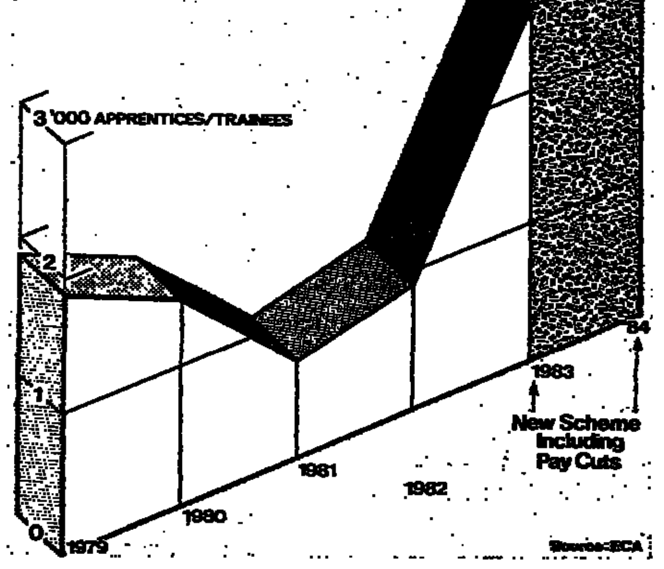
The deal is a complete re-working of the industry's apprenticeship scheme. Instead of the traditional apprentice's learning-at-the-elbow grind, the deal blended Youth Training Scheme and industry funding in a new package.

Trainees—no longer apprentices—now have a year in industry, of which 12 weeks is off-the-job practical training, and another 12 weeks technical training at a college. If successful, the trainee then moves to a second year of further training.

At each stage, the trainee has to pass both external and internal examinations: the pass rate is high, perhaps at least partly because each successful stage leads to a higher level of pay.

Lower wage rates are part, but only part, of the package. Previously, apprentice rates were directly linked to those of a skilled electrician—40 per cent of the rate for a 16-year-old, rising to 80 per cent at 20.

How The Numbers Climbed
(Electrical Contracting)



Graham Lever

The deal formally broke those links. Instead, a junior trainee is paid £27.88 a week—though this is expected to be increased to £30 at the end of this month. If the link had been maintained, the rate based on electricians' present pay levels would be £47.70—so the actual rate is roughly two-thirds of what it would have been under the old scheme.

"We probably could have increased the pay," says Mr Gallagher. "We probably could have pushed it up to keep the same levels. But it would have been a straight trade-off: it would have meant a reduction in the number of youngsters that we have taken on."

That the deal has worked in practice is clear. Apprentice numbers were falling as recession hit the industry; the previous 1970 scheme, though good, wasn't working. In the short term, the EETPU accepts it could have capitalised on it, pushing up wage rates based on scarcity of labour; but the union took the longer view.

Numbers shot up: from 900-odd under the old deal in 1982, with the prospect of virtually none the following year, the figure rose to 2,637 in the new agreement's first year.

There have been problems. Mr Simpson says the Manpower Services Commission has gradually been tightening the financial criteria to encompass only those trainees who fit YTS standards, but overall the problems are minor. He says: "It's an excellent scheme which is working well."

There have been criticisms, too—mainly from Left groups and unions worried that the deal will set a precedent. That looks unlikely: the combination of an industry with the employers' side committed to it, all of it, and a union like the EETPU in a sole bargaining position may be a one-off.

Despite this, Mr Gallagher is convinced that a similar package could be negotiated for the engineering industry, where the union side is dominated by the like-minded Amalgamated Union of Engineering Workers.

"It requires a will to be prepared to change," he says. "Any union leadership can carry its members with it on this kind of agreement: we proved it."

The Government has its evidence, albeit more blurred in detail than Mr King suggests. The employers have a flow of skilled labour—contracting, with a high turnover, provides 60 per cent of all industry's electricians—at a reasonable cost. The union is maintaining and expanding its membership.

Most important, the trainees are in work. As Eric Hammond, now general secretary of the EETPU, and who as a national officer of the union negotiated the deal, says: "At the end of four years, when there's 12,000 kids who've been trained as electricians, I can look in the mirror and satisfy myself.

"Colleagues in other trade unions who criticise us will have a shrinking number of apprentices and they will mouth hypocritical phrases and cry crocodile tears about the kids who are not getting trained.

"We did something about it. The only thing we could do."

Support for Stansted

From the Chairman,
Braintree District Council

Sir,—The political options on the future of Stansted airport would appear on the surface to have narrowed following the debate in Parliament over a month ago. My Council however, considers that it is appropriate to state that there is a swell of support for the inspector's recommendations and that greater effort should be directed at supporting the positive benefits of a controlled expansion at Stansted.

Graham Eyre QC is quite right: there has been too much procrastination on airports policy. The time is ripe to look properly ahead and secure investments for the future. We cannot afford to see opportunities slip away, particularly where new jobs are concerned coupled with the much needed improvements in infrastructure in north Essex. My council has formally resolved to support the controlled expansion of Stansted into the third London airport. We fear that the partial expansion as proposed by the opponents of Stansted will lead to the worst of all worlds—incremental growth at Stansted with few, if any, planning benefits in term of noise or operational controls or improvements to infrastructure.

J. W. Amies.
Causeway House,
Bocking End,
Braintree, Essex.

A forum for useful discussion

From the Director-General,
Confederation of British Industry.

Sir—The arguments about the effectiveness of the National Economic Development Council advanced by Peter McGregor (March 12) and other correspondents focus on some things which could be done better. But let us not underestimate the contribution NEDC makes. As a forum for discussion of complex economic problems it contributes to a better understanding by all parties of each other's viewpoints. The problems we face as an economy will not be solved by the Government, management or the trade unions acting independently. Only by working together will we improve performance and a prerequisite of working together is understanding each other's positions.

NEDC has in recent years helped formulate policy options on such broad ranging issues as training and education, quality and standards and public purchasing. Of course, all the parties work separately on such issues, but it is the bringing together of their separate work and the cross fertilisation of ideas this permits, which makes a positive contribution to the formulation of realistic policy options.

NEDC has done some excellent work on specific topics where public debate and decision making were confused by inadequate factual information. It was a tripartite working group under the independent chairmanship of the director-general of NEDO which hammered out the facts about energy pricing in 1981, and provided an agreed data base on which future policy decisions were made.

Similar work is now going on to inform the debate on infrastructure development, and we look forward to joint working on the organisation of working time.

Now that the TUC has returned to the table—in which the CBI believes it played a helpful role—we are all trying to put more effort into seeking realistic solutions for Britain's economic problems. I am convinced that there is a genuine desire among all those who take part in the council meetings to make them more effective and to achieve better results in the interests of the nation as a whole.

(Sir) Terence Beckett.
103, New Oxford Street, W.C.1.

The Nigerian economy

From Mr N. Baker MP

Sir,—Last month you reported that Nigeria was planning a second issue of promissory notes for trade debts and I have seen the letter from Mr Peter Turtill (March 5) pointing out the number of British expatriates who formerly worked in Nigeria and who are owed substantial sums of money.

I raised this matter in an adjournment debate here on December 21 because I have come across a number of cases of this kind, many of which have resulted in considerable hardship, where Britons have worked in Nigeria but their remuneration has sometimes for a period of years failed to be paid.

I am sure that in the long term the Nigerian economy is likely to improve because the resources of the country are great. It must be in the interests of Britain and other countries who have been close to Nigeria for many years that through co-operation the Nigerian economy should be assisted out of its present and hopefully temporary low ebb.

It is however vital that settlement of these debts to British expatriates should be part of the settlement package. Nigeria will continue to need expatriate help in developing its economy and failure to settle these debts can only deter individuals from playing a part in this process. The British Government should take this matter very seriously both for the sake of the development of Nigeria and in common justice.

Nicholas Baker.
House of Commons, SW1.

Non-working wives

From Mrs E. Tayler

Sir,—Another imaginative Budget from Mr Lawson, but I have some reservations.

While it was gratifying to see that he had noted suggestions made just after the last Budget that the only fair form of personal taxation is one allowance for every man and woman regardless of their circumstance, it is very disappointing that nothing more immediate than a Green Paper is proposed. Any reforms, if implemented, would not take place for several years.

With each succeeding Budget the discrimination against the non-working wife grows. This time a married couple, both working, get an extra £500 allowance, while a couple with the wife at home gets only £300. Could nothing have been done now to correct this injustice? Had the working wives' allowance not been increased in line with that of a single person this would have seemed much fairer.

As the single person's allowance grows proportionally ever nearer that of the married man, we now have the situation where a non-working wife appears to be considered worth little more than half a single person and one-third the worth of her working counterpart. Is it any wonder that wives feel compelled to rush out to work at the earliest possible moment, thereby increasing the labour market and helping to raise the unemployment figures?

(Mrs) Evelyn Tayler.
18, Marshalls Road,
Braintree, Essex.

The demise of BNOC

From Mr J. Roeber

Sir,—Not many would disagree with Mr Mabro's basic thesis (March 21), that Britain's interests lie with the maintenance of high prices for oil. But he does not deal with the reason for British National Oil Corporation's demise: the cost of intervening to hold prices up; and the need to justify that cost to Parliament.

The most important of the oil exporters, particularly Organisation of Petroleum Exporting Countries' members, are not subject to that sort of scrutiny. Their governments are free to set national goals and use whatever means seem most likely to achieve them. But in Britain—and probably in any Western democracy—the spectacle of a government joining with Opec and other producers to rig the world market would be acutely distasteful. No government would risk making such a gift to the Opposition—however good the case for intervention may be (and however cost-effective as an investment the "losses" proved to be—as BNOC's arguably were). This is why BNOC was abolished, and why the rest of Mr Mabro's impeccably logical case is irrelevant.

Joe Roeber.
13, Great James Street, WC1.

Taxing gifts from on high

From Mr C. Gibson

Sir,—I would agree in principle with the proposal of R. B. Cannon (March 16) for the taxation of rainfall—but why stop there? There is considerable justification for the appropriation by the state of the income from all natural resources and land in their unimproved condition. This would provide a much needed method of removing taxation from production. Also there is a moral justification for the taxation of land values and natural resources in that these are God-given gifts which should be used for the benefit of society.

C. M. Gibson.
16 Southview Road,
Blanefield, Glasgow.

Rewards for work done

From Mr R. Martin-Fagg

Sir,—Mr E. Foxhuntley (March 21) suggests that Michael Prowse has not the faintest idea of the demands and responsibilities of being a hardworking surgeon in comparison with those of a Longbridge carworker. The implication of this is that Mr Foxhuntley has first hand knowledge of both jobs, and therefore is qualified to comment.

On the natural rate of unemployment, many factors determine the rate—full employment in the 1960s was defined when half a million individuals were registered as unemployed. Today many people consider the current rate of unemployment is above the natural rate, because in the private sector, money wages are growing at 8 per cent p.a., implying excess demand in the labour market. Would Mr Foxhuntley suggest a figure for the natural rate of unemployment, surely the current 3.2m out of work cannot all be "practically unemployable?"

R. J. Martin-Fagg.
Ashbrook, Ellington Road,
Taplow, Maidenhead.

Seconding the closure

From Mr F. Thomson.

Sir,—As the annual summer holiday victim of a North Sea passenger ferry operator who has been allowed a virtual monopoly, and as a shareholder in European Ferries, I beg to second E. Hugh Bateman's (March 21) motion to close the Monopolies Mergers Commission.

F. P. Thomson.
The Town House,
Church Road,
Watford.

FINANCIAL TIMES

Tuesday March 26 1985

Robert Graham assesses the impact of President Nicolas Ardito Barletta

Panama's honest technocrat toughs it out

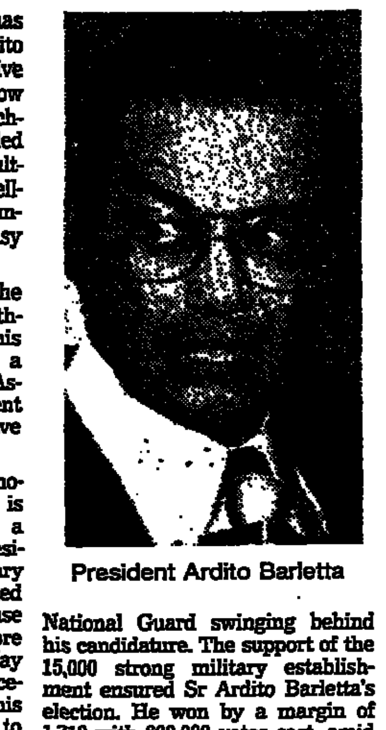
POLITICAL inexperience has dogged President Nicolas Ardito Barletta of Panama. After five months in office he has been slow to make the transition from technocrat to politician. This has led him to underestimate the difficulties of his most important task: selling an austerity package to a country long used to the idea of easy prosperity.

His first attempt ended in the package being ignominiously withdrawn last December and only this month has he managed to get a budget through the National Assembly – but with a less stringent set of measures than he would have preferred.

"We forget that honest technocrats make poor politicians: he is learning slowly," commented a prominent supporter of the President. The ruling Revolutionary Democratic Party (PRD) selected Sr Ardito Barletta largely because of his technical credentials. Before the presidential elections last May he had been the World Bank's vice-president for Latin America. This seemed an ideal qualification to deal with Panama's recession and calm the international banks' concern over the country's $3.7bn foreign debt, the highest per capita in Latin America.

Having lived outside Panama for the previous six years he also had the advantage of not being compromised by dealings with the military, which had held power for 16 years. This gave Sr Ardito Barletta, 46, a "Mr Clean" image in a society often tainted by corruption.

Another important attribute was his stint in the 1970s as Economy Minister under the legendary figure of the late General Omar Torrijos. His link with this populist general (whose photograph dominates every official room) gave him legitimacy and was instrumental in the National Guard swinging behind his candidature. The support of the 15,000 strong military establishment ensured Sr Ardito Barletta's election. He won by a margin of 1,713 with 600,000 votes cast, amid loud opposition protests of fraud.



President Ardito Barletta

Today, Sr Ardito Barletta wearily contests these fraud charges. "I won the election and I have proof." But although he may have been "shoe-horned in" (as one American commentator put it), even the opposition realise his candidature was preferable to the erratic demagoguery of his rival, Dr Arnulfo Arias, 83. Nevertheless the questions surrounding the legitimacy of the vote have made the opposition parties hypercritical of his every move.

"The main aims of my policy are to solve the management of the public sector and reactivate the private sector, making full use of Panama's strategic location and its asset in the Canal," says Sr Ardito Barletta.

He inherited a stagnant economy with rising unemployment. Officially unemployment stands at 13 per cent of the 670,000 workforce, but economists believe the figure to be closer to 18 per cent, especially in the main urban centres of Panama City and Colon. The downturn in the world economy has cut Canal traffic and the Latin American debt crisis has sharply affected the country's trading, with exports down last year by more than $1.1bn on the 1980 high of $4bn.

Meanwhile, the public sector deficit has risen unacceptably from a combination of servicing the foreign debt (now standing at 75 per cent of gross domestic product), paying for an overblown public payroll and subsidising lossmaking ventures dating back to the era of Gen Torrijos' populism.

President Ardito Barletta's first attempts to solve these problems misfired badly. A package of austerity measures, approved by a reluctant National Assembly in November, provoked some of the biggest demonstrations ever seen in Panama. In December the President gave way and rescinded the measures that had included a 7 per cent tax increase.

"I withdrew the law because there would have been violence and because I wanted to allow people time to hold a better dialogue," he says, conceding he should have consulted more first. He defends his haste, saying he wanted to obtain a voluntary agreement with the International Monetary Fund rather accept an IMF-imposed programme as a pre-condition for a $650m standby facility.

Now Sr Ardito Barletta is facing tougher terms from the IMF, and the new, much softer, package of measures which he has put together may not be enough. The package, approved at the beginning of the month by the National Assembly, avoids direct taxes on the consumer. Instead, the budget deficit of $164m is to be covered by raising corporate taxes and licence fees, further public spending cuts and selling off state enterprises.

The latter exercise, which includes the sale of such state assets as sugar mills, cement plants and hotels, is scheduled to raise $70m. There is doubt, however, whether sufficient extra revenue can be raised and feelers have been put out to Washington about U.S. budgetary assistance. Already the U.S. has agreed to provide this year $54m worth of budgetary support. This is the first time in several years such assistance has been necessary and it underlines Washington's concern that social unrest caused by austerity could be destabilising.

The Government and, more importantly the military, share a similar fear. Of Panama's 2.5m population, 502,000 are of university and school age. The Government needs to create 20,000 jobs a year to accommodate first-time job seekers and each job costs a $25,000 average investment, according to the Banco Nacional de Panama. At present the private sector is not investing and the Government does not have the necessary resources when it is paying out in debt service alone 50 per cent of export and net service earnings.

Politically, Sr Ardito Barletta is still living down his mishandling of the November package. His own PRD members felt left out in the cold by the lack of consultation and bitterly resented the toughness of his proposals. "The trouble with Nicky (Barletta) is that he lived too long outside Panama," says Sr Mario Rignone, a leading member of the PRD businessmen's group. "Also, his own experience under Torrijos and at the World Bank was to draw up plans that were carried out without him ever having to sell them. Now he has to convince us."

Yet convincing his fellow Panamanians is no easy task. They have been nurtured on the idea that in the last resort U.S. strategy interests will underwrite both the Government of the day and the country as a whole. Even with the reduced U.S. presence following the 1979 treaty there are still some 50,000 Americans living in Panama including 10,000 military personnel of Southern Command. The national currency, the balboa, remains a pure fiction because it is none other than the U.S. dollar, and so the Panamanian Government can have no independent monetary policy.

Much of the opposition to President Ardito Barletta stems from his blunt statement that Panamanians must learn to stand on their own feet: after all, the Canal Treaty ends in 1999. He has, for example, begun to prune the 140,000-strong civil service, and to open up the government books, which contained some nasty surprises.

The social security system has been revealed to be close to bankruptcy. He also allowed the release of a list of names of hangers-on receiving government handouts, which included the wives and former wives of prominent National Guardsmen. Clearing up corruption goes against vested interests, not least those of the National Guard.

The President's critics believe he has bitten off more than he can chew and that sooner or later he will be treated by the National Guard as another puppet president – to be removed when the Guard Commander, General Manuel Antonio Noriega, sees fit. His supporters believe he can yet make a politician and besides, they have no alternative in sight. The President himself seems determined to tough it out, convinced of his own rectitude.

THE LEX COLUMN

Lord Weinstock on the wharf

Despite Mr Tebbit's reference to the celebrated cash mountain, GEC's £34m purchase of the Yarrow yard is not going to make much difference either way to the group's cash balances. If Lord Weinstock's heart is really set on warships, rather than aircraft as last year's flirtation with British Aerospace suggested, then the Vickers yard could be swallowed easily – and must else besides.

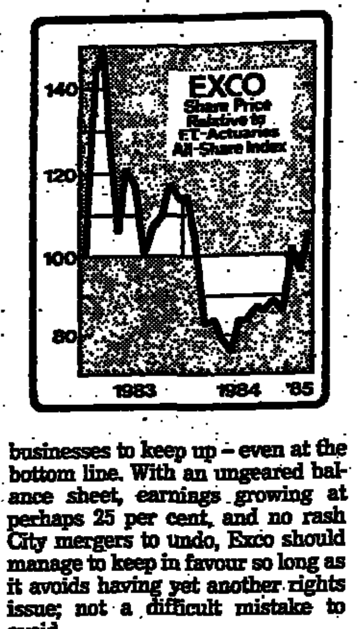
The Yarrow yard seems as good a place as any to start. British Shipbuilders may miss a curiously profitable business, which made £11m on a £100m of turnover last year and enjoys an order-book of £450m; and although GEC is not exactly under-exposed to Ministry of Defence procurement policies, it probably feels it can add something to the export capabilities of the T23 frigate.

In terms of cost, at least, warships are tin-cans full of electronics; and in these terms alone, GEC's move would make sense even without the growing importance of its anti-submarine systems. At the same time, a group so beholden to MoD favour can do itself no harm by helping out with what could be a troublesome divestiture programme.

Exco

Exco's Oliver Twist performance – coming back as it did for a second helping of rights capital in less than a year – has been forgiven with unusual speed. But Exco's 32 per cent earnings growth last year seems more than enough to justify the two cash injections, and once the City had recovered from shock, it proved capable of discounting most of the improvement. Yesterday's market could find only another 10p to recognise the last inch of Exco's advance; at 725p the shares have even recovered to a point where the price includes 200p or so for assets other than Exco's controlling share in Telerate.

Since Telerate is accounted as a subsidiary for nine extra months, the impact of its particular success is seen more strikingly in pre-tax profits this year than last. Exco's 148 per cent rise in pre-tax profits to £80.7m does overstate the case a bit; the public minority takes out £17.9m below the line. Nevertheless, Exco's largest subsidiary should do well enough this year to make it hard for the wholly-owned businesses to keep up – even at the bottom line. With an ungeared balance sheet, earnings growing at perhaps 25 per cent, and no rash City mergers to undo, Exco should manage to keep in favour so long as it avoids having yet another rights issue; not a difficult mistake to avoid.



United/Fleet

The acquisition of Fleet Holdings by United Newspapers – if and when it happens – would look rather like a snake swallowing an elephant. On yesterday's prices, the 80 per cent of Fleet that UN does not already own is worth £193m, compared with United's market capitalisation of £230m; so a UN share offer would nearly double its equity capital. Its paper is not exactly scarce anyway – since 1983, shareholders have had to put up with a heavy rights issue and two substantial vendor placings. After all that printing, the company's gearing is negligible, but given the deal's size, UN could hardly afford to pay for it all in cash.

Ideally, a merger would be agreed, but newspaper titles are hard to relinquish, and it would be surprising if Lord Matthews were willing to do so. Nor would United's Mr David Stevens, one imagines, be so keen on Fleet if he were not assured control of the Fleet Street titles. Circumstances could, of course, change by the time the Monopolies Commission reports. But if Fleet's share price goes anywhere, it is unlikely to be down.

Steetley

The events of the last few days have shown how right Hepworth Ceramic was in trying – unsuccessfully – to take over Steetley two years ago. On Friday, Hepworth reported pre-tax profits for 1984 up just 5 per cent to £35.2m, while yesterday Steetley revealed a full 40 per cent increase to £32.7m.

Steetley has been fired by its escape from Hepworth's clutches, cutting costs and pulling out of peripheral businesses, including the mid-1984 sale of its Australian subsidiary. Its zeal is evident in the threefold increase in North American trading profits, which should rise still further this year if remedial work in the Canadian distribution company pays off.

Better still, Steetley has invested in the right part of the UK building materials industry at the right time. While Hepworth suffered last year from a fierce price war in its pipe businesses, Steetley, like other brickmakers, sold all the bricks it could make at steadily increasing prices. Brick profits – about 40 per cent of the total – should be even greater this year, with a new plant adding 50m bricks to the current annual output of 300m. Despite the down-turn in housing starts, demand for Steetley's up-market bricks is solid.

Although Steetley shares, down 4p to 309p, have doubled since the Hepworth bid, they are still trading on a multiple of about 9, at a marked discount to Ibstock Johnsen or Blockleys.

Dee/Booker

In the war of red ink triggered by Dee's bid for Booker McConnell, Dee's latest salvo does not seem likely to win much ground. The arguments are supposed to be about the advantage to Booker shareholders of teaming up with Dee, and gaining efficiency in food distribution. Even on this issue, Dee appears to have shifted its stance since an earlier document. Dee now claims that there would be an earnings benefit on top of the 19.27p per share announced by Booker, whereas previously Dee's claim was to provide a gain so long as Booker's earnings were no more than 18.25p. Since the substantial incremental profits could scarcely be achieved for the year just ended – by whatever form of post-acquisition accounting – it is hard to see what Dee is offering. It is also rather difficult to say anything about where the share price might be if the offer lapsed; Dee's threat to sell has effectively sterilised the market.

Journalist, diplomat seized in Beirut

By Our Middle East Staff

A FRENCH diplomat and a British journalist were kidnapped in Lebanon yesterday bringing to nine the Western foreign nationals known to have been abducted in the past 12 days.

No immediate claim was made for the seizure of Mr Alec Collett, 63, who was working for the UN Relief and Works Agency for Palestinian refugees (UNWRA). He was pulled from his car after it had been stopped at a road block at Khalde on the southern outskirts of Beirut en route from Sidon to the capital. His Austrian colleague, Herr Fritz Heindl, was allowed to proceed.

At the same the campaign against Western foreigners outside the Christian-controlled area took on a specific and discernible direction with the kidnapping of M Gilles Peyrolles, head of the French cultural centre in the northern port city of Tripoli.

A handwritten message delivered to newsagencies said that he had been "arrested" by the "Lebanese Armed Revolutionary Factions". His safety could not be assured unless "our comrade Abdul-Qader Saadi" was released within 48 hours.

That was the name used by Abdullah Ibrahim, a Lebanese gaoled in Lyons, France, last October.

The message also called for the release of two other members detained in Italy. There were held in connection with a plot to blow up the U.S. Embassy in Rome.

The amorphous and unidentifiable "Islamic Jihad," generally regarded as a catch-all phrase for all religious left-wing extremists opposed to Israel and the U.S., claimed responsibility for the kidnapping of the other two Britons, Mr Geoffrey Nash, a scientist, and Mr Brian Levick, a businessman; Mr Terry Anderson, a U.S. journalist, and three French diplomats.

Canadian authorities and banks act to curb money laundering

BY BERNARD SIMON IN TORONTO

CONCERN IN the U.S. over banks' involvement in money laundering activities has spread to Canada, where the authorities, as well as some of the large Canadian banks, have stepped up their vigilance against transactions by drug syndicates and other criminals.

The Inspector-General of Banks in Ottawa has written to Canadian banks asking them to reinforce "know-your-client" rules as part of efforts to discourage money laundering. He has also asked banks to alert branches in "sensitive" areas – considered to include the Caribbean and cities on the U.S.-Canada border – to their potential role as unwitting channels for criminal funds.

A spokesman for the Royal Canadian Mounted Police said that the authorities' growing interest in the problem was mainly aimed at drug traffickers.

Canadian banks are vulnerable to accusations of unwitting participation in money laundering. Canada has no rule similar to that in the U.S., which requires banks to notify the authorities of cash deposits worth more than $10,000. Three of the five largest Canadian banks – Royal Bank, Canadian Imperial Bank of Commerce and Bank of Nova Scotia – have extensive retail networks in the Caribbean, a key drug trafficking area.

An official at one of the banks said that action to curb possible involvement in money laundering activities "is getting attention in this bank right to the chairman level."

Bank of Nova Scotia is currently tightening its monitoring procedures. Branch managers are required to explain large swings in daily cash balances, and have been warned to be wary of customers wanting to buy drafts for large amounts or to convert large amounts of U.S. dollars into other currencies.

Canadian Imperial Bank of Commerce has instructed Caribbean branch managers not to accept any cash deposits from strangers, and to limit deposits from existing customers to C$25,000.

Bank of Nova Scotia was fined $1.8m by a Miami court last year after refusing to hand over records from its Bahamas and Grand Cayman branches required by a U.S. grand jury in a drug case.

An official at the Inspector-General of Banks' office said that, while the authorities were taking an "increasing interest" in money laundering, they had no plans at present to enforce U.S.-type reporting standards in Canada.

Danish manufacturing halted

Continued from Page 1

to prices – and last year it halved the rate of wage increases from about 10 per cent a year to only 4½ per cent. That has contributed to a strong economic recovery and the Government does not want to see its incomes policy achievement destroyed.

Another extraordinary feature of the negotiations has been that the average worker would be better off with the employer's offer than with the union demands, at least in terms of take-home pay, because the unions are demanding a cut in the working week without full wage compensation. Ideally, they wanted a reduction from 40 to 35 hours, but their final demand was for a cut of two hours to 38 hours, combined with a substantial increase in wages for the lowest paid but no increases for the higher paid workers.

The unions claim that their work-sharing initiative will create more jobs and reduce domestic demand and imports (thus helping the balance of payments) but have little effect on export competitiveness because they assume a compensation increase in productivity.

The employers' final offer was based on a total increase in hourly wage costs of about 2½ per cent, including a half-hour cut in the working week.

The employers argue that the LO claim is unrealistic, because the higher paid cannot be expected to accept a fall in take-home pay. The structure of the LO claim would mean big wage drift increases and a return to double-digit increases in hourly wage costs, they say.

The coalition of Conservatives, Liberals, Centre Democrats and Christians can count on the support of the centrist Radical Party to obtain a majority for a statutory settlement. The Radicals insist that the employment effects of the settlement must take priority, with unemployment running at about 10 per cent. They want a settlement in the region of 3 per cent a year on hourly wage costs with a start to the process of reducing the working week.

Although the economy has staged a strong recovery, with GDP in real terms increasing by 4½ per cent last year, private sector employment up by more than 3 per cent and a boom in industrial output and investment, Denmark has experienced a deterioration in its current account deficit.

The incomes settlement now being discussed by the Radicals and the Government is therefore expected also to include some demand restraint elements.

If the Danes were a more emotional people, the dispute might be more serious, but a settlement is likely to be accompanied only by some big but peaceful demonstrations and a certain amount of disruption for a week or two

Brussels to probe tube fitting sales by Japan

By Paul Cheeseright in Brussels

EUROPEAN COMMUNITY aggravation with Japan's exporting policies surfaced again yesterday when the Commission disclosed that it is mounting an anti-dumping investigation into Japanese sales of tube and pipe fittings on the EEC market.

Brussels is following up a complaint from Falck of Milan, the major Community producer, that is based not so much on a surge of sales, as on prices and the deflection of sales in West Germany on to the Italian market. Japanese prices in Italy have been running 15 per cent lower than Falck's.

This anti-dumping investigation follows quickly on the heels of the Commission decision to impose duties on Japanese excavators. In more general terms, the Community has continually complained about the targeting of Japanese exports in particular sectors.

Falck's complaint is absorbed into a wider investigation, following a complaint from the Swiss-based European Malleable Tube Fittings Development Association about sales from Brazil, Taiwan and Yugoslavia.

In a parallel announcement, the Commission said it would be reviewing a 1981 decision to accept undertakings on prices received from Poland, Romania and the Soviet Union on ball bearings and tapered roller bearings.

Undertakings to hold prices near Community levels were received after the Commission had staged an anti-dumping investigation, but they have not been examined since the acceptance of the original offer.

State aid for Canadian bank

Continued from Page 1

drilling companies in the south-western. U.S.

The rescue plan includes an infusion of new capital by the Canada Deposit Insurance Corporation, the federal Government, the provincial Government of Alberta and six other Canadian banks. The group will also purchase a package of CCB's non-performing loans.

The rescue follows a series of tremors in the western Canadian financial market in recent months. One of Saskatchewan's leading trust companies collapsed earlier this year, and the Alberta Government last week announced measures to support several dozen ailing credit unions. Bank of British Columbia, based in Vancouver, recently completed an extensive restructuring to stem mounting losses.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	15	59	Dubrovnik	S	12	54	Malaga	F	20	68	Salzburg	S	12	54
Akrotiri	S	17	63	Faro	F	19	66	Malta	C	15	59	Seoul	Fg	7	45
Algiers	C	15	59	Florence	F	17	63	Manila	S	34	93	Singapore	R	31	88
Amsterdam	F	9	48	Frankfurt	C	10	50	Miami	F	24	75	Stockholm	Sl	1	34
Athens	F	17	63	Funchal	F	18	64	Milan	F	13	55	Strasbourg	S	13	55
Bahrain	S	25	77	Geneva	F	12	54	Moscow	S	6	43	Sydney	R	20	68
Bangkok	S	34	93	Gibraltar	F	17	63	Munich	S	11	52	Taipei	S	27	81
Barcelona	F	16	61	Guernsey	R	7	45	Nairobi	–	–	–	Tangier	F	16	61
Beirut	F	19	66	Helsinki	S	3	37	Naples	F	17	63	Tehran	–	–	–
Belgrade	C	12	54	H. Kong	C	22	72	New Delhi	S	31	88	Tel Aviv	S	19	66
Berlin	F	11	52	Innsbruck	S	11	52	New York	F	9	48	Tenerife	–	–	–
Biarritz	C	16	61	Inverness	C	4	39	Nice	S	14	57	Tokyo	F	15	59
Blackpool	S	8	46	Istanbul	F	10	50	Oporto	F	15	59	Toronto	F	3	37
Bordeaux	R	11	52	Jersey	R	7	45	Oslo	C	2	36	Tunis	C	13	55
Brussels	S	9	48	Jo'burg	F	27	81	Paris	C	11	52	Valencia	S	21	70
Budapest	F	12	54	Las Palmas	S	21	70	Prague	F	10	50	Venice	S	12	54
B. Aires	R	23	73	Lima	F	26	79	Reykjavik	S	-3	27	Vienna	S	11	52
Cairo	S	26	79	Lisbon	F	15	59	Rio de J'o	S	37	99	Warsaw	C	9	48
Cape Town	S	27	81	Locarno	F	11	52	Rome	S	17	63	Zurich	S	12	54
Caracas	C	27	81	London	C	8	46								
Casablanca	S	17	63	Los Angeles	C	27	81								
Copenhagen	C	5	41	Luxembourg	C	8	46								
Corfu	F	17	63	Madrid	S	14	57								
Dublin	F	8	46	Majorca	F	16	61								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder H–Hail

BNOC price to fall

Continued from Page 1

April production, a major reduction in its purchases will be seen at the earliest in trading of June North Sea production.

The major oil companies with refining and distribution networks are likely to take the earliest opportunity to keep their oil, rather than trade with BNOC. Many of the smaller North Sea producers, with no trading arm or distribution network, will stay with BNOC for as long as possible, however. In the meantime, these smaller companies may attempt to set up a joint trading company to handle their combined production.

During the last months of its existence BNOC will base its purchase price on those reported for individual months' production in such publications as Platt's and Petroleum Argus. It will offer the price to suppliers in the last week of the previous month. Thus BNOC will be proposing its April price later this week.

Platt's records for April prices range from about $27 to about $28 a barrel. While this signals the UK Government's intention to avoid further oil trading losses, the ad hoc arrangements could lead to conflict with some suppliers.

Brent, the North Sea marker crude, was quoted at $28.20 to $28.35 yesterday.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main.

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Tuesday March 26 1985

Olivetti to seek full control of Docutel

By Our Milan Correspondent

OLIVETTI, the leading Italian data processing equipment maker, intends to acquire full control of its loss-making Docutel U.S. distributor. If Olivetti, which at present holds 46 per cent of Docutel, succeeds in acquiring the remaining shares at a proposed $5.50 per share, the purchase would cost $20.2m.

The decision to seek the remainder of Docutel, a company which last year recorded a $41.9m loss on revenue of $163.9m, comes after what is understood to have been a lively debate inside Olivetti regarding the Ivrea-based company's U.S. strategy. As of last month the Olivetti plan under discussion had been to retain its 46 per cent Docutel stake and to sell off Docutel's loss-making banking automation division. Yesterday's Olivetti statement did not specify whether this element of the plan is to be pursued

Olivetti at present operates in the American market through two distribution channels. One is Docutel-Olivetti, formed in 1982 from the merger between Docutel Corporation, which specialised in automated teller machines, and the subsidiary Olivetti Corporation of America. The second channel became active in 1984, for selected product lines, following the purchase by American Telephone and Telegraph (AT&T) of 25 per cent of Olivetti and an agreement to market Olivetti workstations in the U.S.

Olivetti is known to feel that AT&T is not sufficiently aggressive in its marketing. Meanwhile, the Italian company is seeking to enter into additional marketing agreements with U.S. companies other than AT&T in order to increase U.S. volume and open more distribution channels.

Olivetti said its decision to seek 100 per cent of Docutel reflected the company's continuing interest in the U.S.

Zanussi set to axe 6,000 jobs as part of restructuring plan

BY ALAN FRIEDMAN IN MILAN

ZANUSSI, the leading Italian home appliance maker which was taken over by Electrolux of Sweden last year, is planning a major restructuring programme which will entail around 6,000 job losses, amounting to one third of its domestic workforce.

Zanussi executives are to meet Sig Renato Altissimo, the Industry Minister, on Thursday in Rome for talks about the redundancies, which are certain to spark a political debate. Zanussi is one of Italy's largest private-sector employers.

Electrolux-Zanussi management will tell Sig Altissimo the plan is not very different from existing reorganisation measures which would have had to have been implemented, regardless of who owned the Pordenone-based white goods maker. Zanussi will also unveil plans to invest around L100bn ($48m) in new automation technology this year, designed to increase productivity with a smaller workforce.

The plan involves shedding just under 5,000 workers by the end of this year. A further 1,000 would be made redundant over the next three years.

After a lengthy period of negotiation last year, Electrolux finally took a 49 per cent stake in Zanussi: it has an option to raise this to 75 per cent. Electrolux has chosen as its Zanussi managing director, Sig Gian Mario Rossignolo, formerly a Fiat executive and head of Sweden's SKF Italian subsidiary.

Higher counter-offer for McGraw-Edison

BY WILLIAM HALL IN NEW YORK

COOPER INDUSTRIES, a Houston-based conglomerate, has launched a $1.1bn counter-offer for McGraw-Edison, which agreed last Friday to be taken private through a leveraged buyout.

Cooper Industries, which is slightly larger than McGraw-Edison in terms of revenues, yesterday announced a $65 per share tender offer for the company. The news came as a surprise to Wall Street which was impressed by the price of $59 per share which Forstmann Little, a New York investment ban, had offered for the company.

McGraw-Edison shares jumped sharply yesterday morning, opening $8½ higher at $63½.

McGraw-Edison, whose board had agreed to the Forstman Little offer, had no immediate comment on the new bid.

Cooper Industries, which earned $106.9m on revenues of $2.0bn last year, has three main businesses – tools and hardware, compression and drilling equipment and electrical and electronic products. In common with other companies operating in the U.S. energy services business, Cooper Industries has been hard hit by the slump in demand for its oil-related products. However the company's earnings, while far short of the 1981 peak of $284.5m, have been recovering.

McGraw-Edison, which earned $68.3m from its continuing operations on sales of $1.7bn in 1984, is a leading manufacturer and supplier of electrical and mechanical products and related services. The group's annual sales have been falling from their 1981 peak of $2.3bn because the company has been selling off parts of its business in an effort to restore its profitability.

Trilogy in accord to merge with Elxsi

By Louise Kehoe in San Francisco

TRILOGY, which last year abandoned plans to build a super computer and wafer-scale semiconductor devices, has announced an agreement in principle to merge with Elxsi International, a privately owned California computer maker.

According to Trilogy, 38m shares of Trilogy stock will be exchanged for all of Elxsi's shares. The exchange will give Elxsi shareholders slightly less than 50 per cent of the combined company.

Trilogy also says that it has been granted an option to buy 25 per cent of Elxsi shares before the merger under undisclosed conditions. Trilogy has also purchased a $5m short-term convertible Elxsi note to provide the company with working capital. According to Trilogy, Elxsi had sales of $18m last year.

Trilogy lost $79m last year on its ill-fated ventures. The supercomputer company was funded with close to $300m in venture capital. Trilogy is believed to have as much as $70m in available cash left over.

Last December, Trilogy announced the proposed merger with California Devices, a small semiconductor manufacturer. That agreement was called off earlier this year.

● American Telephone & Telegraph is expected to announce today a personal computer that will incorporate telephone features and run AT&T's Unix software system, writes AD-DJ from New York.

The computer, tentatively named the PC 7300 but likely to be sold as the "Unix PC," according to one AT&T supplier, is AT&T's second personal computer. It marks a major marketing effort by AT&T, which has not been highly successful in the $10bn-a-year market for office desktop computers.

Analysts who have previewed the machine praise its features,

BAYERISCHE VEREINSBANK OPTIMISTIC DESPITE REDUCED MARGINS

German bank sees strong upturn

BY JONATHAN CARR IN MUNICH

BAYERISCHE Vereinsbank, the Munich-based bank, expects another strong increase in business volume this year which should allow it to maintain profits at near the 1984 level, despite a lower interest margin.

Dr Max Hackl, chief executive, said the margin between interest earned and interest paid had already dropped this year to 2.68 per cent after an average of 2.75 per cent in 1984.

But he also made clear that the bank was expecting buoyant business, notably from its industrial customers, as the economy grew steadily and investment picked up.

As a result it is considered likely – though officials did not expressly say so – that Bayerische Vereinsbank will at least be able to maintain its dividend at DM 11 ($3.43) per DM 50 share. A capital increase is also possible.

The group is the first of the leading West German banks to announce detailed results for 1984 and sketch the outlook for 1985.

Its figures show that after a slow start in the first half of last year – affected by domestic industrial strikes – business picked up strongly, especially in the last quarter.

Thanks to this acceleration, the bank achieved partial operating profit (which covers interest and commission income less personnel and other expenses) of DM 532m for the year.

This sum was just 4.3 per cent below the result for 1983. At mid-year, partial operating profit had been nearly 15 per cent lower than in the comparable period of 1983.

Total operating profit – a figure which includes the results of own-account trading, and which the bank does not reveal – was understood to be virtually the same as the result in 1983, both in the parent bank and in the group.

Bayerische Vereinsbank said that it is putting aside DM 245m, or roughly half its partial operating profit, to provide for risks at home and abroad.

This is a little less than the DM 268m put aside for 1983, but Dr Hackl said that the proportion for foreign risks had actually been raised. No final solution to the international debt problem was in sight, he noted.

It is understood that the bank had been considering a capital increase in the first half of this year but decided to wait, for reasons which have to do with the newly revised German banking law.

● Bayerische Hypotheken- und Wechsel Bank, a leading West German bank, proposes to celebrate its 150th anniversary this year by raising its dividend for 1984 from DM 9 to DM 10 per DM 50 share, and by paying a DM 2.50 bonus. The bank's net profit in 1984 rose by nearly DM 50m to DM 160.8m and total assets by DM 6.3bn to DM 70.2bn.

Searle ends search for takeover bid

By Our New York Staff

G. D. SEARLE, the U.S. pharmaceutical group which has been growing rapidly because of the phenomenal success of its Nutra-Sweet artificial sweetener, is no longer up for sale and plans to continue as an independent group.

The Skokie, Illinois company announced yesterday that it had ended a six-month consideration of its sale either in a single transaction or piecemeal. The shares dropped sharply in early trading following the news.

The company was put up for sale last September after members of the Searle family, who own 34 per cent of the shares, asked the company's management to explore ways in which they could diversify their holdings, including the possible sale of the company.

The company also announced that it was sharply increasing its quarterly dividend from 13 cents a share to 25 cents a share. Last year Searle earned $3.24 per share.

Volvo to set up new financial subsidiary

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

VOLVO, the Swedish motor vehicle group, is to form a new wholly-owned financial services subsidiary to take over the active management of its rapidly growing liquid assets.

Volvo will become one of the biggest participants in the Swedish money and capital markets, trading chiefly in treasury bills, bonds and certificates of deposit.

"It will become one of the biggest institutions outside the banks, if not the biggest," said Mr Gunnar Lundgren, director of money and capital market operations at S-E Banken, Sweden's leading commercial bank.

"It is the first of the big corporations to concentrate its financial functions in one company. I think other big companies with high liquidity will do the same."

At the end of 1984 Volvo had liquid assets of SKr 11.6bn ($1.26bn). In addition, the group has now received the SKr 3bn proceeds of the sales of its 25 per cent shareholdings in Stora Kopparberg, Sweden's leading forest products group, and Atlas-Copco, the engineering company.

Mr Lennart Holmström, Volvo company treasurer, will become managing director of the new subsidiary.

The company, to be named AB Fortos, will have a capital of SKr 500m and will be the parent company of Volvo's other activities in the financial sector, including Alfred Berg, one of the larger brokers on the Stockholm stock market, STC Finans, a finance company, and Volvo Finance SA, a Swiss-based operation involved in bridge finance and arbitrage for the Volvo group as well as dealer finance in Switzerland.

Fortos will also take care of the foreign exchange activities of Volvo subsidiaries in Sweden.

Swedish regulations mean the new unit will not be able to lend to the general public or directly to other corporations.

Beatrice looks for $176m after-tax gain

By Our Financial Staff

BEATRICE Companies, the Chicago-based food and consumer products group, said yesterday that it expected to record a net after-tax gain of about $176m in the fourth quarter ended February 28.

The company said it expected to report a pre-tax gain of about $655m in the same quarter from the sale of various businesses including its chemical, food service equipment, cookie and other businesses. The chemical operations have been sold to Imperial Chemical Industries (ICI) of the UK for $750m.

However, Beatrice said that the gain would be partially offset by a pre-tax charge of about $286m for the anticipated cost of restructuring the company's businesses after its merger with Esmark.

In the same quarter last year the company reported net profits of $133m including a gain of $55m from the sale of businesses.

BoJ doubts need for offshore banking

By Robert Cottrell in Tokyo

JAPAN'S central bank remains sceptical of the need for an offshore banking facility in Tokyo, a senior official of the Bank of Japan (BoJ) said yesterday.

He said the Bank would participate, however, in official discussions about the facility, which was unexpectedly endorsed by Japan's Ministry of Finance last week. The idea is now being further studied by an official committee under the chairman ship of Mr Yusuke Kashiwagi, chairman of the private sector Bank of Tokyo.

The BoJ official said he was "rather puzzled" by the MoF's new-found enthusiasm. The idea of an offshore yen market in Tokyo was popular among some officials and bankers three years ago, but failed to win sufficient government support, and was widely considered to have been overtaken by Japan's more recent programme of liberalising its domestic capital markets.

Supporters of offshore banking believe it would establish Tokyo as the natural centre for transactions in Euroyen, which are yen held in accounts outside the domestic Japanese financial system. The Bank of Japan view, the official said, is that if Tokyo wanted to increase its share of the international yen market, it should do so through further domestic liberalisation rather than by establishing a parallel offshore market.

The official added that an offshore capital market in Tokyo would cause "mixed feelings" among Japen's neighbours, notably Hong Kong and Singapore, which have grown rapidly in the past two decades as international financial centres.

Japan's offshore banking supporters appear to favour a system similar to that of New York, which would insulate banks' offshore dealings in segregated accounts. But securing concessions for any new market in areas such as tax, stamp duties and reserve requirements could prove a lengthy bureaucratic and political process in Tokyo, and is sure to be slowed further by any overt opposition from so influential a quarter as the Bank of Japan.

Swire Pacific earnings up 25%

BY DAVID DODWELL IN HONG KONG

SWIRE PACIFIC, the diversified Hong Kong group which controls Cathay Pacific Airways and Swire Properties, yesterday reported attributable profits for 1984 of HK$1.05bn (US$134.7m), up 25.8 per cent.

Mr Michael Miles, the group's chairman, predicted "strong operating results" for Cathay Pacific in 1985, after improvements in load factors and yields in the year just ended. Without identifying Cathy's contribution —which is nevertheless understood to account for the lion's share of Swire's profits—he said a boost had come from equipment refinancing.

Swire Properties, which like other property groups in Hong Kong has been a casualty of political uncertainty, generated profits in 1984 that were "slightly below earlier expectations," Mr Miles said. But he reported a resurgence in demand for property since September, which has prompted forecasts of improved profits in 1985.

Group turnover rose 18.5 per cent last year to HK$12bn.

The attributable profits was reached after tax of HK$300m and minority payments of HK$415m. A final dividend of 87 cents per A share lifts the total for the year to HK$1.26 per share, 21.2 per cent rise. The final payout for B shares will be 17.4 cents, making a total for the year of 25.2 cents.

Yesterday's results were the first to include Swire Properties as a wholly-owned subsidiary. Swire Pacific last year paid HK$1.35bn for the 27.5 per cent minority interest in the property group that it did not already own.

Property valuations ivolved a reduction in valuation reserves of HK$270m for both Swire Properties and its parent —which compares with write-downs of HK$1.16bn and HK$841m for the two companies in 1983—and is a clear sign of a return of stability in the local property market.

Apart from the group's major subsidiaries, the Hong Kong Aircraft Engineering Company (HAECO), Swire Pacific's engineering offshoot, saw net profits improve by 40 per cent, Mr Miles said.

In contrast, shipping and dockyard operations reported a "sharp reduction" in profitability, in line with the continuing recession in the world's shipping industry.

Reserves keep Albaab in profit

BY MARY FRINGS IN BAHRAIN

AL BAHRAIN Arab African Bank (Albaab), which is calling up US$50m in additional capital this year after being granted a $30m subordinated loan last December, avoided showing a loss on its 1984 accounts by taking $17m of its undisclosed total provisions out of the general reserve instead of charging it against income.

The declared profit of $15.8m includes just over $1m of capitalised interest on funds disbursed for the bank's new building. The 1983 profit of $18.9m included $665,000 in capitalised interest.

Albaab paid a 7 per cent stock dividend in lieu of cash, thus minimising the effect of dipping into reserves. Shareholders' equity at the year-end amounted to $129m, compared with $130.6m in 1983. Total assets declined by 5.8 per cent to $1.559bn, and the loan portfolio was stated at $819m against $827m a year earlier.

Mr Mohammed Mutaz Murad, the newly appointed general manager, said the non-performing loan problem was "controllable" and adequate provisions had been made. He added that the bank now had very substantial hidden reserves to support the risk assets portfolio.

He said the new capital would both strengthen the bank and enable it to expand, and Mr Ebrahim Al Ebrahim, the chairman, revealed that Albaab was buying 50 per cent of a small Turkish bank. An earlier plan to acquire Noram Bank of Luxembourg did not materialise.

Sharp rise for National Bank of Dubai

By Angela Dixon in Abu Dhabi

THE NATIONAL Bank of Dubai has begun the annual round of results from the United Arab Emirates' 53 banks by producing a strong profits advance for 1984, a year for which most UAE banks are expected at best to match their previous performances.

It is to make a one-for-two scrip issue and pay a 40 per cent dividend, after a 48.6 per cent boost in net earnings to Dh349.23 ($95.13m). Net assets more than doubled, to stand by the year-end at Dh16.86bn, attributable mainly to growth in deposits.

Customer deposits jumped from Dh5.8bn to Dh14.37bn, while those due from banks rose from Dh4.4bn to Dh12.3bn.

The scrip issue will provide 2.85m new shares. The bank's shares have a nominal value of Dh100 but are said to have been changing hands at around four times that amount. They are held mainly by UAE nationals, although the National Bank of Kuwait has a 20 per cent stake.

United Plantations lifts dividend

BY WONG SULONG IN KUALA LUMPUR

UNITED PLANTATIONS, a leading Malaysian palm oil and cocoa producer, has reported a 178 per cent increase in 1984 pre-tax profits to 45.7m ringgit ($18m), aided by higher output and strong commodity prices.

The final dividend is being increased by 10 cents to 25 cents, making a total of 30 cents for the year compared with 20 cents for 1983.

After tax and an extraordinary gain of 2.6m ringgit from the sale of its investment in an edible oil refinery in the UK, profits emerged at 31.5m ringgit, a rise of 211 per cent. Turnover advanced by 44 per cent to 113m ringgit.

The company was formerly Danish-owned but was Malaysianised in 1983. It expects results for 1985 to be "highly satisfactory," though not matching the 1984 performance.

It said there had been "no repetition of the runaway prices (of palm oil) experienced during the first half of 1984," but added that palm oil was in an advantageous position against soyabean oil, its main competitor. While palm oil was selling at a discount to soyabean, the prices obtained were nevertheless "very lucrative."

United Plantations owns 30,000 acres of high-yield plantations in Lower Perak and is clearing another 30,000 acres

Grand United in offer for Sigma Metal

BY OUR FINANCIAL STAFF

GRAND UNITED HOLDINGS, the Kuala Lumpur-based company known formerly as Textile Corporation of Malaya, is to bid for Sigma Metal of Singapore as part of a complex series of share swaps under which Sigma's issued capital will be quintupled and Pan-Electric Industries—one of the Singapore stock market's recent speculative favourites — will become a Sigma associate.

The move furthers Grand United's plans for expanding into Singapore. In February, under the chairmanship of Mr Tan Koon Swan, a Hainanese businessman and politician, Grand United purchased a 23.9 per cent stake in Sigma, calling it "a first step for Grand United into Singapore," and Mr Tan joined the Sigma board.

Sigma now says it will acquire a 22.3 per cent stake in Pan-Electric for S$124.2m (US$55.2m) from Wesco Nominees, which is acting on behalf of a number of Pan-Electric shareholders. In exchange, Sigma will issue 71m new Sigma shares at S$1.75 each, comprising some 82.5 per cent of Sigma's enlarged capital. Subsequently, Grand United will buy 34m of the new shares at the same price, giving it a total stake of 43.7 per cent in Sigma. It will offer S$2 each for the remainder.

Murray and Roberts down

By Our Financial Staff

MURRAY AND ROBERTS, the South African engineering and construction group, yesterday reported a R9.17m ($4.88m) setback in net profits to R25.16m for the half-year to last December. The company said that in view of the present economic conditions, it expected a 30 per cent fall in attributable earnings for the full year.

The interim dividend is being maintained, however, at 20 cents a share. Earnings per share slipped to 74 cents, compared with R1.08 for the last six months of 1983.

Liquidation for Banco Filipino

MANILA — The Philippines central bank has approved the liquidation of Banco Filipino, the country's largest savings bank, which was placed in receivership in January.

The central bank said Banco Filipino could not resume business with safety to its depositors and other creditors because its total assets of 3.91bn pesos ($212m) were insufficient to meet total liabilitties of 5.16bn pesos.

It said the decision to liquidate the bank was based on a report of a receiver, which said the bank's deficiency to creditors as of last January amounted to 1.25bn pesos.

The central bank said it had taken into account alleged irregularities by Banco Filipino officials. Reuter

Trade unions angered by Boussac proposals

BY DAVID MARSH IN PARIS

BOUSSAC-Saint Freres, the French textile group, has run into angry criticism from trade unions over a plan by the Ferinel property group, its new owners, to hive off loss-making parts of the sprawling concern.

Union representatives have broken off talks with M Bernard Arnault, the controlling force behind Ferinel and the new chairman of Boussac. This is in protest against a plan to sell around 20 per cent of the group's activities and reduce the workforce by around 3,000 from its present 15,000 by 1987.

The latest union reaction has been mixed with resignation over the inevitability of job cuts, as the Boussac management has been preparing workers for over a year for further sharp cuts.

Boussac, which filed for bankruptcy in June 1981 along with its holding company, the Agache-Willot concern, has already reduced its workforce from 20,000 four years ago but is still making losses estimated at about FFr 200m ($20.3m) for last year.

The latest instalment in the Boussac saga—one of France's longest-running and most complicated bankruptcy cases—follows the Government's decision in December to authorise the Ferinel takeover.

It also comes amid the climax to a month long trial in Paris of the four Lille-based Willot brothers who are accused of illegal funds transfers and accounting malpractices in the expansion of the Agache-Willot empire which crashed four years ago.

The Willot clan—Jean-Pierre, Antoine, Regis and Bernard—agreed the takeover of Boussac in 1978, merging it with their previously-acquired jute business, Saint-Freres.

The brothers, who were already sentenced in 1974 to fines and suspended sentences over fraud and forgery charges (later quashed by presidential amnesty), have entered into French folklore as examples of the less savoury face of Gallic capitalism.

Although their shares have been sequestered by receivers, the Willot brothers have remained the legal owners of a controlling stake in Agache-Willot during the period that the company has been declared bankrupt.

Under the plan put forward by M. Arnault to refloat both Boussac and the central holding group, the Willots' stake in Agache-Willot is due to be reduced to 16 per cent.

This depends, however, on new shareholders agreeing to a FFr 400m capital rise for Agache-Willot. This would be put into effect next year after the drawing up, possibly in the next few months, of a formal repayment schedule to reimburse the FFr 2.7bn owed to creditors.

The latest row with unions over Boussac's future follows a variety of steps taken by Ferinel and M. Arnault to prune the group's activities and concentrate on profitable sectors.

An accord has already been drawn up with Dollfus-Mieg, France's No 2 textile group, which is initially limited to technical collaboration but later will give the latter the opportunity to take over Boussac's household linen and clothing-fabric activities.

M Arnault has pledged to concentrate Boussac's efforts on hygiene products—where it makes the Peaudouce nappy brands, basic textiles—and other sectors with profit potential such as plastic packaging, spun linens and sportswear. But contacts have been opened with a range of other companies over disposing of peripheral operations.

Under a controversial plan which is crucial to drawing up a repayment schedule with creditors, Mr Arnault is preparing to sell off parts of the Agache-Willot shares in the Bon Marche department store and Conforma furniture chain.

Another of the profitable Agache-Willot subsidiaries—the Christian Dior fashion house—is to remain part of the overall group for at least five years. But M Arnault last week strengthened his personal control over the company's affairs by taking over the Dior chairmanship. Dior, during the last three years, has remained autonomous within the Agache Willot group.

But part of the company also seems likely to be sold on the Paris bourse as part of efforts to raise funds to pay off Boussac creditors.

U.S. bank to form London operation

By Andrew Baxter in London

PHILADELPHIA National Bank of the U.S. plans to start a London merchant bank to tap the opportunities for its products offered by London's growth as a financial centre.

PNB executives met Bank of England officials yesterday and are awaiting the bank's approval for the new operation. If all goes well the new merchant bank, Philadelphia National Ltd, could be in operation by mid-year as a wholly-owned PNB subsidiary with initial paid-up capital of £25m ($29m).

PNB opened a branch office in London last June, having had a representative office previously. The branch has concentrated on large corporate clients with business links in states around Pennsylvania.

The new operation will expand the services available to these clients, but PNB added that it was also a response to the need of worldwide clients for a London-based merchant bank.

Its services will include loan syndication, sale of securities such as Euronotes, international securities trading and underwriting, and "financial engineering" – interest rate and currency swaps.

Mr James Hildebrand, who will be chief executive of the new bank, said that in its first few years it would aim for a gearing of about eight times equity. That would imply assets of about £200m based on the initial capital; however, authorised capital will be £50m.

Italian insurance group plans bourse share issue

BY OUR MILAN CORRESPONDENT

ASSITALIA, one of Italy's leading state insurance companies, is planning to offer up to 25 per cent of its shares to the public via an issue on the Milan bourse.

The intention to seek a listing and privatise a portion of the company was announced by Prof Antonio Longo, president of the INA state insurance group which controls 98.5 per cent of Assitalia shares.

The remaining 1.5 per cent is held by INI, the state medium-term corporate finance institution.

For 1983, Assitalia had a net profit of L5.8bn on total premiums of L797bn ($389m). Premiums in 1984 are understood to have reached L900bn.

The company claims to be the leading writer of domestic insurance policies in Italy. The leading insurer in Italy is the Generali group, but its total premiums include foreign business.

Although Assitalia did not discuss the size of any public share flotation, this is likely to be for at least L100bn, thus making it a sizeable operation on the Milin bourse.

The Italian stock mraket has been one of the strongest in Eurpoe over the past year. Against 192 at the start of 1984, the Banca Commerciali share index is just short of last month's peak, closing yesterday at 279.1.

Elsevier income surges

BY LAURA RAUN IN AMSTERDAM

ELSEVIER-NDU, the Dutch publishing company, said net income surged by 43 per cent to Fl 75.6m ($20.8m) last year on buoyant foreign business, particularly in the U.S., and on the strong dollar.

The 1984 dividend will be raised to Fl 3 a share from Fl 2 the preceding year.

Sales edged up a comparatively modest 7 per cent to Fl 1.43bn in 1984 while interest income and minority-shareholding profits jumped to Fl 5.8m from Fl 190,000. Elsevier publishes newspapers, magazines, trade journals and books in Europe and the U.S. and is one of the largest publishers of English-language scientific journals in the world. The company, which also provides information systems, derives about one-third of its turnover from outside the Netherlands.

Elsevier predicted that it would earn at least as much per share this year despite a 10 per cent increase in the number of shares outstanding. Early redemption of the 8¼ per cent convertible dollar-denominated bond on March 1 expanded outstanding share capital to 9.6m shares from 8.7m shares.

● Delta Lloyd, the Dutch insurance group, increased after-tax net income by 14 per cent in 1984, from Fl 122m to Fl 139m ($38.3m) on only a slight gain in turnover, AP-DJ reports from Amsterdam. The company expects profits to ease this year, mainly because of competition in the Dutch insurance market.

Bosch to raise investment in France

By John Davies in Frankfurt

ROBERT BOSCH, the West German electrical and automotive components group, is stepping up its investment in France as part of a reorganisation and expansion of some of its operations there.

Bosch, which has more than 4,500 employees in France, is boosting its investment in production and distribution capacity to over FFr 125m ($12.7m) this year, more than double last year's outlay. The U.S. and France are the biggest single foreign markets for the Robert Bosch group.

In the reorganisation, the Sigma Diesel subsidiary at Venissieux will add petrol fuel injection system components to its production range and will be brought under the umbrella of Robert Bosch (France).

In addition to car radios and radio telephones, Blaupunkt France in Mondeville will produce motor vehicle components such as windscreen wipers and small engines. The workforce, at present 760, will be increased initially by about 100.

However, existing small-scale production operations at Massy will cease and employees will be offered jobs elsewhere.

Bosch is also considering producing petrol fuel injection system components at Rodez, which is its largest production centre in France. These components would be for markets in France and abroad.

Sharp profit boost for Italian banks

BY OUR MILAN CORRESPONDENT

BANCA Commerciale Italiana (BCI), Italy's second largest bank, has announced a 64 per cent leap in its 1984 net profits, to L91.2bn ($43.7m). Meanwhile, Credito Italiano, Italy's third largest bank and, like BCI, controlled by the IRI state holding group, said it had more than doubled 1984 net income to L89bn.

BCI said it had complied with the Bank of Italy's recent directive to abandon the practice of "window dressing" year-end accounts in order to inflate balance sheets, while Credito Italiano claimed it had never engaged in the practice. Dr Francesco Cingano, chairman of BCI said the 1984 accounts, which showed total deposits of L82,370bn, a rise of 25.2 per cent, were free of window dressing.

"Window dressing is too costly because we have to pay too much in terms of reserve requirements even if it is just one day of additional deposits from other banks, at year-end," he explained.

He said that the 1984 BCI profit was struck after bad debt provisions and transfers to reserves of L155.3bn, which compared with L298bn in 1983. Of the L155.3bn of 1984 provisions, L100bn represented bad debts and the rest reserves.

Credito Italiano's total deposits rose by 21.4 per cent to L46,937bn. Bad debt provisions in 1984 amounted to L190.6bn.

● Banca Nazionale del Lavoro (BNL), Italy's largest state controlled bank, last year more than doubled its net profit, to L55bn. The Rome-based bank said it had total deposits of L72,600bn, an increase of 26 per cent.

If the bank's associate companies are included the total net profit comes to L150bn.

Kloeckner lifts earnings

BY PETER BRUCE IN BONN

KLOECKNER & CO., the West German steel trading and engineering concern, has raised net profits by at least 33 per cent to more than DM 40m ($12.4m) in 1984.

The group, once the heart of the pre-war Kloeckner family empire, said it expected to improve on these results this year.

Releasing provisional 1984 figures yesterday, Herr Sörg Henle, Kloeckner's chief executive said that despite the strong dollar making imports more expensive, and some international customers cutting purchases because of their dollar debt burden, group turnover had risen 14 per cent to DM 10.8bn. Unconsolidated turnover rose 17.8 per cent to DM 2.2bn.

Kloeckner, which has a 10 per cent stake in Klöckner-Werke, the Duisburg-based steel producer, said its steel trading business had performed well at home and abroad. Where exports to the Middle East and Asia had slowed, these had been offset by bigger volumes sold to China, the Soviet Union and the U.S.

Florio back in the black

By Our Milan Correspondent

FLORIO, Italy's leading maker of marsala wines and spirits, last year made a small L140m ($68,000) profit, the first time the company has been out of the red in more than a decade. The profit was struck on 1984 turnover of L15bn.

Rumours of Florio's break into the black have been circulating for the past fortnight and the company's shares, quoted on the Turin stockmarket, have risen by 36 per cent over the past few weeks, to L260. The company is 96 per cent owned by Cinzano wine and spirts group, so that speculation in the 4 per cent quoted shares on the tiny Turin bourse is not an exceptional event.

The company, which sold a large shipment of marsala dry wine to Admiral Nelson 185 years ago, is based on the western coast of Sicily in the town which bears the wine's name.

UK COMPANY NEWS

Exco surges £48m with help of $

Exco International, the rapidly expanding financial services group, saw its profits before tax surge to £80.67m in the 12 months ended December 31 1984.

This was an increase of 149 per cent over the previous year's £32.46m (£16.01m) and some £5m ahead of City expectations. The group's shares closed yesterday at 725p, a rise of 10p on the day.

The dividend for 1984 is being lifted by 1.5p to 9p net on the capital enlarged by last year's £68.3m rights issue. A two-for-one scrip is also proposed.

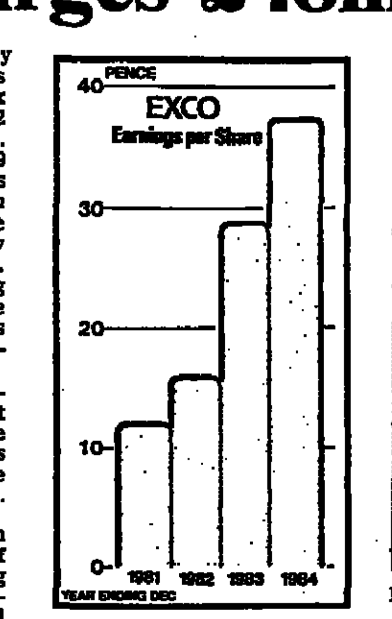
Mr John Gunn, chief executive, says that as a significant proportion of Exco's earnings are in dollars its overall results benefited substantially from the rise in the value of the U.S. dollar during the year.

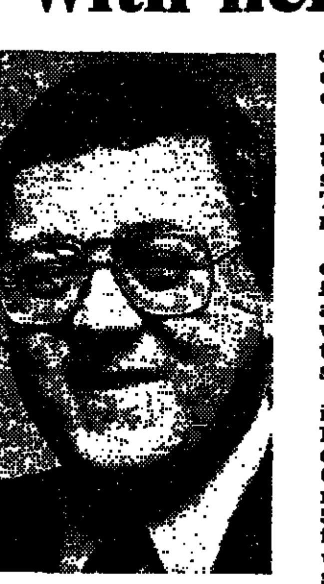
Shareholders are told that in 1984 the profitability of each of the four principal operating divisions, Telerate, moneybroking, stockbroking, and fund management, continued to grow at a healthy pace and reached record levels.

At Telerate, fourth quarter net income rose 34 per cent to $30.7m, or 70 cents per share.

Favourable market conditions and the major advance in the value of the U.S. dollar, were the main factors behind the substantial increase in moneybroking profits.

In stockbroking, W. I. Carr, Sons and Co (Overseas), in which the group increased its holding to 98.8 per cent in May last year, consolidated its position as a leading Far Eastern stock market specialist and also took advantage of favourable market conditions in increasing its pre-tax profits by almost 50 per cent.





Mr John Gunn, chief executive of Exco International

Mr Gunn says an important step in the direction of expanding the stockbroking business was taken in May when Exco acquired an interest in the firm of London stockbrokers, Galloway and Pearson, now renamed WICO, Galloway and Pearson.

Fund management had a good year at the end of which funds under management in the Gartmore group exceeded £2.2bn, up from approximately £1.6bn a year earlier. During the year a majority interest was taken by Gartmore in the San Francisco-based firm of fund managers, Kingsley, Jennison, McNulty and Morse.

In May, Exco subscribed for 55 per cent of the shares of London Forfaiting Company. The first-time contribution from this company in its eight months of operation exceeded directors' expectations.

Mr Gunn points out that managment accounts for the first two months of 1985 show very satisfactory levels of activity in Telerate, moneybroking, fund management and forfaiting.

Group turnover for 1984 expanded from £84.06m to £210.66m and operating profits amounted to £79.68m, compared with £21.94m. Pre-tax figures took in a £992,000 (£10.52m) share of associates' profits.

Exco's results for 1983 incorporated Noonan, Astley and Pearce which became a 100 per cent subsidiary in April 1983, Gartmore Investment Management, in which Exco acquired a 50.1 per cent interest with effect from August 1983, and Telerate, which became a 51.5 per cent subsidiary with effect from September 1983.

Previously, the results of Noonans and Telerate were included as part of Exco's share of profits of associated companies. In 1984 the results of all these companies are consolidated for the whole period.

Attributable profits for 1984 emerged at £27.83m (£16.37m) after the deduction of tax at £34.94m (£13.11m), minorities of £17.9m (£4.11m) and adding in £1.13m last time of extraordinary income.

Earnings per 10p share are given as 37.3p, against a previous 28.3p.

See Lex

Clyde better than expected at £12.3m

BY MARTIN DICKSON

Clyde Petroleum, one of the smaller independent UK oil companies, yesterday reported pre-tax profits up 5 per cent in 1984, but also disclosed that it had failed to find a buyer for its U.S. oil interests, which it put up for sale in December.

The figures were somewhat better than the market had expected and Clyde shares closed at 91p, up 5p on the day.

Pre-tax profits in the year to December totalled £12.3m (£11.68m) on turnover of £34.24m (£28.2m) after an exceptional £4.4m write-off on U.S. operations. After-tax earnings totalled £10.1m (£9.4m).

The 1983 figures have been restated to reflect the company's move to a "full cost" accounting system, under which all oil and gas expenditure is amortised on a poll basis.

Earnings per share totalled 10.8p (10.3p) at 1984 year end and the dividend is being raised to 1.5p a share (0.9075p).

Clyde, which has made a contested £11.7m cash takeover bid for Petroleum, another independent oil company, attributed the improved performance to its increased oil production and to favourable trends in the dollar/sterling exchange rate. Oil production averaged 4,152 barrels a day in 1984 compared to 3,794 b/d in 1983. Gas production totalled 1,551m cu ft a day (1,682m cf/d).

As for its U.S. operations, the company said the level of response to its invitation for bids last December had been disappointing, due to the current depressed state of the U.S. oil market.

Clyde was not prepared to sell long-term assets of quality at unrealistic prices and it was therefore unlikely that a sale would take place in the near future.

In view of this, the company was to rationalise its American operations, to concentrate on the "highly successful North Pioneer Waterflood and other potential secondary recovery projects."

The £4.4m exceptional item covers both depreciation of the company's U.S. assets, to take account of falling oil prices, and a cut in American operating overheads, including staff reductions.

Clyde, which wants to concentrate its future development in North West Europe, earned £10.6m of its operating profits in the UK last year, against £4.5m in 1983. Some 90 per cent of last year's total came from the Buchan field, with the onshore Wytch Farm field producing the remainder. U.S. operations produced £2.1m (£1.85m), and Ecuador and other operations £4.3m (£3.7m). Cash flow from operations totalled a record £27.3m (£20.8m).

The company said that a merger with Petrolex would provide a good fit of interests and would further Clyde's policy of expanding through both acquisition and exploration.

● comment

● There is some irony in Clyde's bid for Petrolex, for the 1984 figures underline the extent to which Clyde is itself a juicy potential takeover target. The figures are somewhat obscured by a change in accounting methods, but the overall trend looks healthy—and the results would have looked much better had it not been for a cautious U.S. exceptional provision. Buchan has performed well—despite being shut down for several months of the year—and cash flow is particularly strong, underlying Clyde's ability to bid for Petrolex without issuing paper. Having reduced net debt to just £4m, the company is planning a substantial £12m exploration programme this year which should go some way to removing its image as a rather sleepy seeker of new reserves. All this said, however, the outlook for 1985 and 1986 looks dull (Petrolex apart), with Clyde stuck on a profits plateau until Balmoral, Glamis and increased Wytch Farm production give earnings a major boost between 1987 and 1989. With the shares standing at a historic p/e of just 8½ and market capitalisation at 94 per cent of shareholders' funds, the board must be praying for a good strike from that exploration programme for a rerating that might deter a bidder.

Ex-Burton chief backs Waring and Gillow bid

By Stefan Wagstyl

A CONSORTIUM headed by Mr Cyril Spencer, former executive chairman of the Burton store group, has emerged as a potential bidder for Waring and Gillow, the furniture company which has been the subject of intense takeover speculation.

Mr Spencer is understood to be planning to offer about £25m for the 70-store retail chain, whose chairman Mr Manny Cussins, and his son, Mr John Cussins, group managing director, have made on secret of their willingness to sell at the right price.

The family controls about 30 per cent of the equity, with Great Universal Stores holding another 31 per cent.

Suspended

Neither Mr Spencer nor Mr Cussins would comment yesterday on the takeover negotiations. However, following reports that Waring and Gillow had unsuccessfully asked the stock exchange for its share price to be suspended, the company's shares closed yesterday at a record high of 158p, up 5½p.

Mr Spencer's proposed bid would place a value of between 150p and 160p on the shares.

His consortium is backed by Albion Trust, a recently-formed management buy-out and venture capital company in which commodity trader S and W Berisford has a 50 per cent stake. Albion has the controlling interest in Hope Castle, a company set up last month as a vehicle for the proposed takeover.

If the bid succeeds, 60-year-old Mr Spencer would become the company's executive chairman. His managing director would be another member of the consortium, Mr Ashley Mayer, aged 36, former managing director of the furnishing operations of the Debenhams store chain.

It is understood that the consortium is seeking, through its financial advisers Hambros Bank, agreed bid terms with both the Cussins family and with GUS, which has held its stake since the early 1970s and has frequently denied that it harboured takeover plans.

Withdraw

Waring and Gillow told the Stock Exchange last May that it was in bid talks with an un-named party. Although these subsequently fell through, the company did not withdraw its statement and it is apparently for this reason that the Stock Exchange refused to suspend the shares yesterday.

The Sheffield-based company has found trading difficult ever since it made record profits of £4.8m pre-tax in 1979. Profits declined steadily in the recession and a loss was incurred for 1983. The company recovered in the year to last March with profits at £220,000 on sales of £93m but earlier this month it reported an interim loss of £408,000 against a profit.

Waring says that, apart from the recession, sales have suffered because it did not move sufficiently quickly in replacing traditional lines of furniture with modern ranges, which have been growing in popularity. It had also found it difficult to make adequate profits from its five U.S. stores.

Mr Spencer, who left Burton in 1981, is no stranger to putting together a takeover bid—in 1983 he joined Mr Gerald Ronson's Heron International in a hard-fought but unsuccessful battle to win the UDS stores group. Mr Spencer's Bassishaw consortium lost out to Hanson Trust.

Freemans' recovery gains pace as agent sales rise

A RISE of 56 per cent in taxable profits for 1984-85 at Freemans has continued the mail order group's recovery from the low point of two years ago. The result, at £22.03m against £14.13m, is the best achieved since the 1978-79 period.

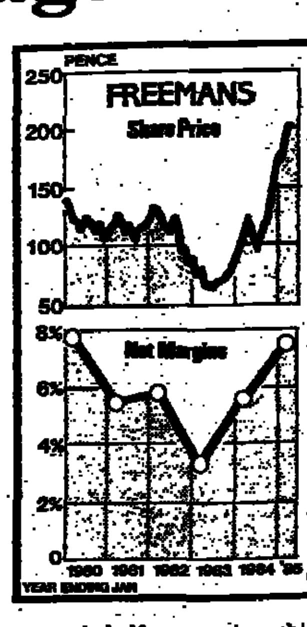
Mr John Brooman, the chairman of this London based concern, says that the actions taken two years ago, when the outcome was a depressed £6.36m, have played a part in producing the improvement. Management then took steps in the areas of credit control and bad debt reduction, and closed a large number of uneconomic agencies. It also cut new agent recruitment.

Now, says the chairman, both sales — up from £319.08m to £359.68m including VAT at £41.86m (£37.13m) — and profits were aided by a "healthy increase" in sales per agent. Active agents at the end of the financial year were up by 25,000 at 610,000.

On the basis of these figures, sales per agent improved from £545 to nearly £590 in the year, and Mr Brooman says that the response to the latest agent recruitment drive is encouraging.

As regards the current year, the chairman is also heartened by the demand generated by the present catalogue. Two are issued each year, in January and July. He hopes that the sales momentum developed during the year under review can be maintained, but says that inevitably much will depend on the rate of consumer spending later in the current year.

In the 1984-85 year, the 12.7 per cent increase in sales is attributed by the chairman to a second half surge in which most departments contributed, although the fashion areas were particularly strong.



Operating profit came out at £24.1m against £15.91m, from which interest payable took less at £1.57m (£1.78m). A profit sharing scheme deduction amounts to £500,000 for the acquisition of shares to be held in trust for just under 4,000 eligible employees.

The proposed final dividend is increased by 0.9p—or 34.6 per cent—to 3.5p net per share, for a total 1p higher at 5.5p. At the interim stage, announcing a 5.25 per cent boost in the payout, the chairman said that the board would expect a greater percentage in the final, "which will still allow restoration of dividend cover to a more appropriate level than that of the past two years." Stated earnings of 17.1p (11p) for the full year cover the total dividend 3.1 times (2.4 times).

The tax charge was £9.92m against £6.38m, and there was an extraordinary debit of £2.84m last time as deferred tax. The year's dividends will account for £3.9m (£3.18m).

● comment

Freemans has proved that there is life in the old mail order business yet. A 56 per cent rise in pre-tax profit was achieved almost entirely through higher sales, with an impressive 12 per cent volume increase in the second half. The uplift reflects a return of consumer confidence; for the past few years, it has been the threat of unemployment as much as redundancy itself which has kept spending in check. Since almost all of Freemans' business is conducted on credit, confidence in the stability of future wage earnings is all-important. The recovery has also helped reduce the incidence of bad debts, provision for which can be a drag on profits. The sharp rise in stocks has inevitably led to more borrowings, but though interest charges will therefore rise this year, gearing is still a highly manageable 23 per cent. Freemans' shareholders may well wonder whether last year's boom was making up for lost years of spending and was thus something of a one-off. But even assuming a more modest increase in profits to £26m for this year, the shares—down 2p to 200p—are hardly exorbitant on a multiple of just over 9.

New Ladbroke-Intasun venture

BY ARTHUR SANDLES

THE Ladbroke group and Intasun Leisure have announced their second joint project in a year. Last night they revealed plans for a £20m company "to purchase, lease and manage existing apartment and hotel properties in prime resort destinations in the Mediterranean."

The company, which will be equally divided between the two groups, will be based in Madrid and headed by two men who held similar positions with Hotasa, offshoot of the Spanish conglomerate Rumasa which collapsed last year.

Some months ago Ladbroke formed a joint venture with the Intasun subsidiary Club 18-30 for the club to take over a Ladbroke south coast holiday camp for its first Club. Med-style centre in Britain.

There was a clash of interests between the two joint projects when Ladbroke outbid Intasun for control of Comfort Hotels.

Ladbroke brushed aside suggestions that the collaborations, following one another so quickly, might lead to even bigger things. "They are good tour operators and we think we are good hoteliers; there is nothing more to it than that. We do not see ourselves in the tour-operating business."

The Mediterranean project will be aimed at a different market from the Club 18-30 scheme.

Likely purchases would not be high rise blocks, said Ladbroke.

Mr Harry Goodman, chairman of Intasun Leisure, said: "We have made no secret of our plans for diversification and this development is an important part of that strategy. The new company will benefit from the combined experience of Intasun and Ladbroke in the travel and hotel industries."

The deal comes soon after Bass and Horizon announced their co-operation in overseas holiday projects. Horizon received £12.2m from Bass for 15 per cent of Horizon stock.

Myson restores dividend as profits jump by 70%

AFTER a gap of four years, Myson Group, maker of heating and air conditioning equipment, is resuming ordinary dividend payments with a final net distribution of 1.25p per 10p share for 1984.

Despite difficult trading conditions, especially in the second half, the group maintained sales in real terms and continued to improve its profitability.

Turnover for the year was 6.5 per cent higher at £55.29m, against £51.94m, and pre-tax profits jumped by nearly 70 per cent from £3.04m to £5.16m, of which £2.9m (£2.02m) accrued in the second half.

However, the directors say there are still companies within the group not making acceptable returns, mainly on the industrial side. A major effort to improve profitability in these companies is now showing results.

Following the approval of the cancellation of share premium account which enabled the company to resume dividend payments, preference arrears of £739,000 have been paid and in addition, normal payment of current dividends of £300,000 per annum for 1984 has been resumed.

Net interest payments dropped from £1.17m to £0.68m, but there was a tax charge this time of £1.45m (£0.5m credit)—this provision will be reduced by ACT recoverable from previous years written back in 1983 of £0.78m, to give tax payable of £670,000 for 1984.

Attributable profits came out ahead from £2.91m to £3.45m, after extraordinary debits of £250,000 (£628,000). Preference dividends absorb £1.04m and the ordinary costs £632,000.

The extraordinary item related to a provision (included in the interim statement) on a judgment against the company on claims made by certain French institutions.

Earnings per share are shown as 9.6p (5.8p) before tax and as 6.7p (5.2p) after.

● comment

The rehabilitation of Myson is virtually complete. Apart from the odd operation where returns are still unsatisfactory, the group is earning about as much as could be expected from the mixed fortunes of its markets. The balance sheet is sporting shareholders' funds of £12.7m and only £1½m of debt which is a far cry from the turn of the decade when the group's actual survival was in some question. The two ex-GEC men who moved in during 1981 have transformed the business. But where is the acquisitions that were expected to lift Myson into a different league? The simple answer is that the two men have found the asking prices within Myson's sector too rich for their appetite. So now the net is being cast wider into other basic manufacturing activities. Ideally Myson wants to find a "widgets manufacturer" in trouble—but then there are a lot of other expansion-minded entrepreneurs looking for the same companies. Profits this year could be £6m, dropping the p/e to 10 at 79p, which seems about right for now.

Bridport Gundry well ahead

Bridport-Gundry got off to a good start in the current year, with taxable profits surging ahead from £394,000 to £646,000 in the six months to January 31, 1985. Turnover at the Dorset-based manufacturer, of netting and twisted and woven products, increased by 37.5 per cent from £10.12m to £13.92m.

The net interim dividend is lifted from 1.25p to 1.45p—last year's total was 4p.

The directors are confident that the company is going to have "another good year."

Routledge & Kegan board backs £4.4m bid

Routledge and Kegan Paul is to recommend to shareholders the £4.4m shut-out bid by Associated Book Publishers. RKP's directors said yesterday that "friendly and practical" discussions had taken place with Mr Michael Turner, Associated's chief executive, regarding the position of RKP as a future subsidiary.

RKP's board, advised by Morgan Grenfell, added that Associated had given assurances about the development and conduct of its business and the position of management and employees.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Baltic ....int	1	May 10	1	—	2.8
Bridport-Gundry ....int	1.45	—	1.25	—	4
CES	2.94	—	2.01	4.9	3.5
Exco Intl†	4.75	June 17	4	9	7.5
Freemans	3.5	June 6	2.6	5.5	4.5
Hall Engineering	4.2	May 3	4.2	7.61	7.61
Hickson Intl	10	May 6	2.5¶	14	11.5¶
Mellerware	2	—	1.68	3	2.52
Myson Group	1.25	—	nil	1.25	nil
Steetley	7.5	April 29	7	12	11
Spring Ram‡	1.1	June 12	1*	1.65	1.5*
TSW-Television ....int	0.55	—	0.5	—	1.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For 15 months.

UK COMPANY NEWS

Steetley profits up 41% and more growth seen

ALTHOUGH *second-half* profits showed less growth at £17.2m against £14.63m, than those of the first, the full 1984 taxable surplus of Steeley, the minerals, construction materials, chemicals and refractories group, was *boosted* by *40.8* per cent from £23.22m to a record £32.7m.

Turnover moved ahead by 9.3 per cent from £385m to £421m over the 12 months.

Bricks, construction materials, minerals, both in the UK and in North America, and chemicals, all improved on their 1983 performance. The distribution activities in Canada did not recover as had been expected, but despite increased fuel costs *resulting from the miners' strike*, refractories produced similar profits.

Mr David Donne, chairman, says that in the current year, taking one part of the business with another, the directors do not foresee much overall change in the markets the group operates in.

"Nevertheless, we expect the recent high level of capital expenditure, particualrly in brickworks and aggregates and the cost cutting that has been carired out, to produce a further increase in profits in 1985."

Mr David Donne, chairman of Steetley

Stated earnings per share increased from 24.28p to 33.1p and the dividend is stepped up to 12p (11p) net with a final payment of 7.5p.

Operating profits amounted to £37.87m (£29.49m) and were split as to: UK £29.3m (£24.53m); North America £5.23m (£1.79m); Australia £897,000 (£1.05m); Western Europe £1.51m (£1.5m); Middle East £944,000 (£623,000).

Mr Donne points out that further aggregate reserves were acquired in France and the UK, while completion of the £11.8m sale of the remainder of the business in Australia took place.

Capital expenditure amounted to £33m, half of which relating to the expansion and improvement of the group's brick and tile business.

Group borrowings were down a further £3m to £36m by the year-end compared with a peak of £70m in 1982, the directors state.

Interest payable was £5.17m, against £6.27m and after tax, £12.31m (£8.27m), minorities £87.000 (£92.000), preference dividends £12,000 (same) and extraordinary debits of £4.01m (£3.02m), attributable profits emerged at £16.28m, compared with *£11.83m last time.*

See Lex

Mellerware lifted by increased exports

Mellerware International, cookware manufacturer, benefitted from new products and increased exports in the year to December 31 1984. Sales increased by 29 per cent to £9.04m against £7m, although profits only managed a 17 per cent rise.

Pre-tax profits of the company which transferred from the USM to a full listing in December 1984, were up to £1.11m (£945,000). Earnings per 10p ordinary share were quoted at 12.23p (10.32p) and a final dividend of 2p (1.68p) is proposed making 3p (2.52p) for the full year.

Mr John Meller, chairman, attributes the rise in sales to the successful introduction of a new automatic hot water jug and a range of stainless steel kettles, and to a 57 per cent increase in exports.

He says current trends continue to encourage already healthy export increases, with particularly significant sales to markets in Africa and the Middle East. The board intends to *exploit fully the opportunities* afforded by present exchange rates.

The launch of a major product is promised for the first half of 1985, while the company's emphasis on product development continues unabated.

Mr Meller adds that confidence in the current ranges is reflected in the decision to open a third factory. This has involved capital expenditure of £449,000 in 1984.

The 1984 results reflect a disappointing level of market activity in the pre-Christmas period. The board believes, however, that the company has achieved increased prominence as a result of a national advertising campaign involving busposters and regional television.

Although Mr Meller notes that it is too early to make reference to profitability in the current year, he reports that sales and bookings are higher than at the same stage last year.

Chemicals boost Hickson to £15m

DESPITE A strike in the early part of the year at the group's main chemical subsidiary, pretax profits of Hickson International amounted to £14.96m for 1984, compared with £14.76m *for the previous 15 months.*

Turnover of this holding company, also engaged in timber products and building materials, was £133.75m, against £145.49m.

Stated earnings per 50p share were unchanged at 45p while the dividend is boosted from 11.5p to 14p with a final payment of 10p.

The strike last spring was at Hickson & Welch and lasted for seven weeks. The return to work, however, led to an excellent re-start and record levels of production later in the year, Mr M. Hopley, chairman, states.

He says the improvement in the worldwide chemical business, seen in the second half of 1983, continued throughout 1984 and boosted the group's chemical profits from £4.8m to £7m. Even with improved demand, the chairman points out that competition has remained keen and it has been difficult to achieve price increases, although margins on export business have improved because of the strong dollar.

The production of specialised intermediates tailored to meet customers' requirements, and the contract manufacture of agrochemicals for Du Pont, have continued satisfactorily, Mr Hopley says. There is now scope, he adds, for expansion of custom manufacture for other companies and additional contracts are being negotiated.

"New outlets for chemicals have been found in the photographic and electronics industries and some investment to support these products is already being made."

In order to develop new chamical specialities research and development resources have been increased in both the chemical and timber protection fields, and work has been sponsored at universities. The group has also invested in a U.S. venture fund with the objective of gaining access to new chemical technology, Mr Hopley states.

Timber protection business showed a 7 per cent profits growth during 1984 with above average results coming from the UK. Overseas the figures were mixed, however.

In the building materials sector, Alvin Morris increased its profits by 36 per cent to £0.9m. Business in the newly-opened Newcastle premises has made good progress and is being followed in the current year by expansion into East Anglia and the northern Home Counties through the acquisition of a majority interest in Beds. Flooring Distributors, of Bedford.

Mr Hopley says the group is now in good shape, its financial position is strong and medium to long term business objectives have been established for the years ahead.

Group tax charge for the year was £6.27m, compared with £6.05m for 15 months, and after dividend cost of £2.71m (£2.22m) the amount retained came through at £5.99m against £6.49m.

• comment

Hickson's results carried few surprises on the trading front, with the chemicals division showing the expected recovery and timber protection performing well. Within chemicals, James Robinson appears to have profited from moving into specialised photographic chemicals; though the strike at Hickson and Welch cost about £1m directly and about half that amount from hedging delayed dollar orders. With cash of £7m at the year end exceeding finance debt of £6.8m, nobody could cavil if Hickson spends £20m or so to buy a U.S. timber protection business — provided, of course, one can be found and managed in a competitive environment. The bonus of the results was the 10p final dividend, ahead of City estimates. Hickson has probably been too conservative in the past, and cover now of three times is scarcely reckless. The share price, up 3p to 475p, yields 4.8 per cent while the rating of about 9 times prospective earnings is at a discount to the sector justified by less than glamorous prospects.

Spring Ram up 88% and seeks full listing

PROFITS up from £972,000 to £1.75m in the second six months at Spring Ram Corporation, bathroom and kitchen product manufacturer, have lifted the full 1984 taxable result to £3.03m, against £1.61m, a rise of 88 per cent.

Mr Bill Rooney, chairman, says Spring Ram looks forward confidently to "an exciting and rewarding year ahead," and announces that the company will apply for admission to a full listing on the Stock Exchange tomorrow. Dealings are expected to start on April 1.

The group joined the USM in April 1983.

Mr Rooney says the home improvement industry continued to prosper throughout 1984: "The group not only benefited from this growth but also substantially increased its market share in both its main business areas."

The current year began well, the chairman states, with all the established areas of operation building on their strong performance during the year. In addition, the latter half of 1985 will begin, he says, to see the first contribution from the group's major Bradford development, as production increases. The group also anticipates further development of markets through Spring Ram International.

The formation of this company in the latter part of 1983 to spearhead the group's export drive, proved fully justified, the chairman stares. Substantial sales were achieved during 1984 on both the kitchen and bathroom ranges and there has been a contribution to the group's overall profits in its first full year of operation.

Turnover expanded from £12.64m to £19.36m and after cost of sales, gross profit was £3.71m, against £2.1m. The pretax figure was after other operating expenses of £682,000 (£478,000) and interest, and similar charges, of £1,000 (£18,000).

There was a tax credit for the year of £320,000 (£320,000 charge) after which earnings per share are shown as 15.8p, compared with 6.1p. The dividend is increased from an effective 1.5p to 1.65p with a final of 1.1p. Dividend waivers amount to £345,000 which will be reinvested in the group.

• comment

With figures such as these it might seem a little perverse to throw cold water at Spring Ram but there is a danger of the shares becoming overheated. Without doubt 1984 was a spectacular year, with profits up 88 per cent on the back of substantial volume gains and an impressive margin improvement. But there is a limit to how fast the group can run, especially in 1985 when it bears the cost of moving into the new Bradford factories — which will dip it into overdraft for a short period —and before it reaps the rewards of its drive into export markets. Profits are now split 52:48 in favour of bathrooms, where it has 22 per cent of the UK bath market. In flat-pack kitchen furniture it has a modest 4 per cent market share in a highly fragmented sector. The new Bradford factory, later this *year, will bring Spring Ram* into sanitaryware for the first time, giving it a full bathroom package, which must provide plenty of scope for its sales force. Though capturing an increased share kitchen furniture could be an expensive business but the directors are keeping an eye on bedroom and lounge flat-pack products. The growth opportunities are obvious but it could be 1986 before shareholders see the group leaping forward again and a p/e of 13.6 at 215p is high enough for the present.

Stepping out on the trail the less strong fear to tread

Martin Dickson on why Tate & Lyle is expanding in a declining U.S. sugar market

Tate & Lyle's agreement to buy six sugar beet processing factories for $21.5m (£18m) from Great Western Sugar is the *company's third significant* U.S. acquisition in four months and underlines a remarkable growth in the North American contribution to group profits.

Under the latest deal, *announced* late last week, Tate is buying factories in Nebraska, Montana and Wyoming capable of producing over 250,000 tonnes of refined sugar a year.

They have been closed since March 7, when Great Western Resources, one of three sugar refining subsidiaries of Hunt International Resources, filed for protection from its creditors under the U.S. bankruptcy code. Hunt International is owned by trusts for the families of the Hunt brothers.

In January Tate agreed to spend $18m—about half of it payable immediately — to buy Colonial Sugars, a privately owned Alabama-based company with a 500,000 tonnes a year refining capacity and a strong share of the sugar market in the Gulf of Mexico region.

And in December Tate announced it was buying Beatrice's agri-products division, which makes livestock feeds, for $43.2m.

Five years ago Tate's U.S. and Canadian operations produced just 9 per cent of group pre-tax profits but by last year this had grown to 53 per cent, thanks to a strong dollar and markedly improved performances by three major long-time subsidiaries: Redpath Industries, its Canadian sugar-to-industrial manufacturing offshoot; Pacific Molasses, its large molasses trader; and Refined Sugars, which sells 500,000 tonnes of sugar a year into the U.S. Northeast market.

The latest acquisitions should increase still further the U.S. contribution to profits, though Tate does not want to become too heavily dependent on North America.

The takeovers illustrate two aspects of the company's three-pronged growth strategy. Firstly, it wants to spread its risks by diversifying into businesses that are natural extensions of its existing ones: the Beatrice acquisition, for example, expands Pacific Molasses' livestock feeds operations, some of which provide an end-use for molasses.

Secondly, it is prepared to invest in new sugar refining capacity — despite the depressed state of the world market — where it believes it can do so *profitably*, using *its* expertise to work assets more efficiently.

The third element of its strategy — finding a substantial new area of business — has yet to be fulfilled, although its unsuccessful £324m bid last year for Brooke Bond, the tea and food manufacturing group, was an attempt to do just this.

The new American sugar acquisitions mean Tate is now a major player in three large areas of the U.S., with a refining capacity of over 1m tonnes a year. That compares with total U.S. consumption running around 6.5m to 7m tonnes a year.

The U.S. sugar market is highly protected, but it is in decline as consumers switch to other forms of sweetener and this is putting pressure on manufacturers' margins

Great Western Sugar's bankruptcy filing underlines that all is not well with the industry, though Tate says that it is "absolutely satisfied" it can run the factories profitably.

More rationalisation of the U.S. industry seems likely. "In a highly mature and declining sugar market, the less strong tend to drop out," says Tate's finance director, Mr James Kerr Muir. And Tate clearly *believes* it is among the strongest players.

UK COMPANY NEWS

CES expansion helps boost profits by 54%

Combined English Stores, owner of *Collingwood The County* Jewellers, Salisburys Handbags and other specialist retailers, raised pre-tax profits by 54 per cent to £9.16m, against £5.95m, in the year to January 26 1985.

Turnover in the same period was up 9.8 per cent to £121.91m (£111.03m). Earnings per 12.5p ordinary share were quoted at 10.16p (9.62p) and a final dividend of 2.94p (2.01p) will be paid, making a total of 4.9p for the year (3.5p).

The directors note that earnings per share for the previous year benefited from an abnormally low tax charge.

The group acquired its 50 per cent-owned associated company, Combined European Retailers, owner of Biba, West German fashion group, in March 1984. The share of profit of this company as an associate is thus down at £130,000 (£1.34m) but profits of the group have been incorporated in those of Combined English Stores from the date of acquisition.

In June 1984, Mr Murray Gordon, chairman said the acquisition of Biba and the disposal of its loss-making subsidiary Harry Fenton menswear had substantially increased first quarter profits.

He reports that the group's retail companies had a very successful year in 1984. Biba had another record year and Collingwood, which doubled profits to £1m in the previous year, again doubled its trading profit. Allens Chemists also had a record year, while Salisburys pulled back from a disappointing start to end the year ahead.

Wholesale companies had a satisfactory year. *Profits of* Eurocamp, which reported a £900,000 trading profit to January 1984, were down against difficult conditions in the holiday trade.

For the group as a whole, the current year has started well and directors say they are confident of another year of satisfactory growth.

● comment

With no duds in the pack and with the benefits of refurbishments of many of its shops coming through, Combined English has had a record year. At the same time the market, buoyed by expectation of a good result and takeover rumours, has pushed the share price up to 126p—double the year ago level. As well as being a possible target, the group is on the acquisition trail itself looking to boost its capitalisation to around £100m from the present £63m. Any predator would have to cope with the diversity of businesses and the autonomous management practises in the subsidiaries but could probably do well from an asset disposal programme. For the present year the market is looking for pre-tax profits of £11m. The tax rate, high because of the 56 per cent levied on Biba, the West German unit, should come down to around 36 per cent. The share price may not, short of a bid, rise much further as the group's volatile earnings record may take just one more good year to be put behind it.

Platignum recovery continues

RECOVERY AT Platignum has continued, but in view of the reserves position the directors are again omitting payment of the preference dividend.

Group turnover for the year to January 31 1985 pushed ahead from £7.86m to £8.39m and at the pre-tax level the group swung frrom losses to £459,000 to profits of £106,000—losses of £860,000 were incurred in 1982-83.

Since the end of the year the directors have made arrangements for the early receipt of outstanding funds due to be paid in respect of sale of the Stevenage site. They say this will *much reduce overall borrowings* and save interest charges amounting to some £100,000 in 1985-86.

At the present time. Platignum's order book is running slightly in advance of last year—the group is a manufacturer of writing instruments and plastic mouldings.

The pen division has settled into a factory at Royston with all systems and equipment functioning well. Response to the latest Royston-produced product—a range of Platroller, Platliner and Platpen—has been pleasing.

Hall Eng. hit by £1.5m cost of miners' strike

DESPITE A near 7 per cent rise in turnover to £117.2m, pre-tax profits of Hall Engineering (Holdings) *showed a dive of over 50 per cent from £5.6m to* £2.74m in 1984. The board attributes the "*disappointing*" result to several factors, one of which was the miners' strike costing more than £1.5m.

In addition, improved efficiencies resulted in further redundancy costs of £0.5m; poor economic conditions in South Africa coupled with the weak state of the rand contributed towards a £0.6m profit reduction; and increased competition and lower demand in Singapore and Saudi Arabia led to a £1.8m fall in the related companies' contributions.

Also, the decision to dispose of the group's U.S. manufacturing activities resulted in an extraordinary charge of £1.36m.

Although stated earnings per 50p share are down from 23.05p to 15.5p, the year's dividend is maintained at 7.61p net with a final of 4.2p (same).

The board says results so far this year, particularly in the UK, have shown a marked improvement over the same period last year, even though the full benefits from the end of the miners' strike have not yet come through.

The board is confident that the group is past the worst and can look forward to a significantly better level of profit in 1985.

Related companies contributed *£2.09m (£3.87m) to profits*, but interest charges took £1.86m (£0.98m), and tax £0.47m (£2.28m).

● comment

Hall's statement for 1984 sounds like a catalogue of woes. Nevertheless, most of the downside *factors mentioned were already* part of the City's expectations and the results actually came out slightly better than forecast. This brings little comfort however as the group's products are still basically exposed to low-cost competition. At home, the ending of the miners' strike is a help but the loss of so many faces and the projected pit closures will inevitably mean a lower level of business than before. In South Africa, conditions continue to be very difficult with low demand and borrowings and interest rates at a high level, all exacerbated by an unfavourable exchange rate. Elsewhere, competition has been intense in the related companies, leaving an overal uncertain picture which is reflected in the historic multiple of under 9 and a yield of 8 per cent at 134, up 12p.

Baltic advances 19% to £1.82m

Baltic, the investment management and financial services group which obtained a full listing last December, raised pre-tax profits by 19 per cent from £1.52m to £1.82m for the six months to January 31, 1985. Turnover advanced from £4.66m to £7.1m.

Mr Michael Goddard, the chairman, says the period has seen a number of significant changes. The asset finance and property syndication activities have continued to expand, while the acquisition of the Chieftan Unit Trust Group was only recently completed and accordingly has had no material effect on the half-year figures.

The second half has started well, with strong support for the projects promoted by the group under the Business Expansion Scheme rules.

Earnings per 5p share are *stated up 19 per cent* from 10.5p to 12.5p and the interim dividend is maintained at 1p net, absorbing £115,000 (same)—last year's total payment was 2.8p on £3.31m pre-tax profits.

First-half attributable profits rose from £1.2m to £1.43m, after tax of £381,000 (£319,000)

Mr Harry Hyman has joined the board as an executive director, while at the same time, Mr Roger Freeman has resigned due to increased parliamentary responsibilities.

● comment

For a company which has just been upgraded to the full market, Baltic's maintained interim payment—for a yield of just 1.7 per cent—is disappointing to say the least. The cover is a weighty 12½ times, hardly the right attitude for a professed growth company which, because of the nature of its leasing business, has the in-built advantage of a guaranteed income for the next eight years. In mitigation, the company is going through a transition period with the acquisition of Chieftain's new range of financial products. This link-up has clearly taken some wind out of these results through reorganisation expenses and the amount of time that management has had to devote to its integration. Elsewhere, the leasing business was inevitably affected by the increase in interest rates. Notwithstanding these short-term bear factors, the company has an underlying momentum that depends very much on its ability to build effectively on associated financial services. For this year, around £4m looks likely, putting the 234p shares on a prospective multiple of under 9 on a same-again tax charge. Hardly a rating to write home about.

UK COMPANY NEWS

American Oil raising £20m via rights and public offer

BY ALEXANDER NICOLL

American Oil Field Systems, a loss-making oil and gas explorer, yesterday detailed plans to raise £19.6m and transform itself into an electronic components company which will benefit from its US$21m (£18m) of U.S. tax losses.

The company, which had its shares suspended at 22p in January, plans a nine-for-one rights issue at 20p, raising a net £17.6m, and a public offering of 10m shares, raising a further £2m. Traded before its suspension under rule 535, it now plans to seek a quote on the USM.

In addition to reducing debt and providing working capital, the proceeds of the offerings will be used to finance the $20m purchase of Durakool, an Elkhart, Indiana-based manufacturer of electrical switches using liquid mercury.

AOFS will be re-named American Electronic Components and will make no further investments in oil and gas projects. It has written down to minimal levels its surviving investments in two drilling programmes.

Durakool's current owner and chief executive, Mr David Webster, will join the AOFS board. AOFS said Durakool dominates the U.S. market for mercury-using switches, which are said to have a longer life than conventional switches.

The deal has been structured by Montagu Investment Management, which will retain a 24.5 per cent stake in the company, in order to utilise the U.S. tax losses which had accrued to AOFS. The company had a 1984 pre-tax loss of £3.4m after a £4m loss in 1983.

Durakool had a pre-tax profit of $3.5m in the year ended June 30 1984 and is forecasting $4.1m for the current financial year.

Neither the rights issue nor the public offering is being underwritten, but investing institutions have given undertakings to subscribe to shares not taken up. In particular, AOFS is assured that at least 51 per cent of the shareholding of the company will remain in existing hands, enabling use of the U.S. tax losses. Laing & Cruickshank are brokers to the issues.

At the EGM on April 17, AOFS will seek shareholders' approval for the acquisition and rights issue, as well as cancellation of the share premium and reduction of capital to eliminate a £10.6m deficit on revenue reserves and a net £825,000 deficit on capital reserves, and to write off goodwill from the Durakool acquisition.

Williams reaffirms dividend promise

By Lionel Barber

Williams Holdings, the specialist engineer and motor vehicle distributor yesterday forecast a 42 per cent increase in income for shareholders as part of its £27m contested takeover bid for the engineering group, J. & H. B. Jackson.

The promise is contained in Williams' offer document published yesterday, which repeats its earlier forecast of a 2p dividend for shareholders at the end of the year. Williams, which ran into difficulties during the last recession, has not paid a dividend since 1980.

Jackson, advised by Baring Brothers, dismissed the offer as "inadequate" and said it would be writing to shareholders to give reasons. Jackson's share price rose 2p, closing at 120p, while Williams rose 3p, closing at 265p.

Williams, advised by J. Henry Schroder Wagg, is offering five of its own ordinary shares and 8 new convertible preference shares for every 20 shares in Jackson. The offer values Jackson's ordinary shares at 117p, based on last night's closing prices. Williams is also offering one new preference shares for each Jackson preference share. The acquisition would almost double Williams size.

In the document, Williams stresses that the present management has turned round an ailing diecaster of four years ago into a fast-growing specialist engineering company, with turnover up from £7m to £47m and trading profits up from £687,000 to £3.02m. It points out that Jackson's trading profits before investment income fell over the same period by 43 per cent from £2.7m to £1.37m.

"Everyone agrees that this offer makes commercial sense," said Mr Brian McGowan, Williams' managing director. Referring to the striking similarity between the two companies' engineering activities, he said. "People like the look of the two groups together."

The offer document says that Williams bid represents a 41 per cent increase on Jackson's 1981 peak share price. It stresses that Williams' share price has risen 30p since the bid was unveiled earlier this month and the price represented a multiple of 15 times the latest full year's earnings for Jackson.

Booker rejects Dee's queries over 1984 profit performance

BY ALEXANDER NICOLL

Booker McConnell, the food distribution, health products and agribusiness group, yesterday rejected suggestions by Dee Corporation, the supermarkets group, that its 1984 profit increase was not sustainable.

Mr Alec Monk, chairman of Dee, whose £336m bid reaches the first closing date on Friday, said in a letter to the target's shareholders that Booker's £36.8m pre-tax profit for 1984 "has been achieved by putting everything in the shop window to fend off our bid."

Noting that all but £400,000 of the food distribution division's £9.8m profit came in the second half, he questioned whether the second half figures had been achieved through trading.

Mr Jonathan Taylor, Booker managing director, responded that "either Mr Monk is ignorant of the seasonal pattern of food wholesaling, or he is being disingenuous." The catering trade is a major customer of Booker's cash and carry business, and has high points in the second half of the year, he said.

Booker plans to produce a 1985 profit forecast which "will demonstrate that there is nothing transitory about the 1984 figure," Mr Taylor said.

Mr Monk, in his letter, defended Dee's use of merger accounting following last year's acquisition of International Stores. "Dee would have been able to forecast earnings per share growing by 40 per cent to not less than 14.6p whichever method it had adopted for International Stores," he said.

He said it would be misleading to restate previous years' figures to include International Stores, and that Dee has not sought to compare the pre-tax profit forecast of £56m for the year ending April 27 (which includes International) with the previous year's £28.3m profit (which does not).

Dee's earnings per share grew 41.5 per cent in the first half of the current year, before the International purchase, Mr Monk said. "Prospects for continued growth in earnings per share are excellent."

Entrad offers loan note alternative in Tootal bid

BY CHARLES BATCHELOR

Entrad Investments, the Australian textile and clothing group which is bidding £124m for Tootal, yesterday added a loan note alternative to its cash offer, after gaining acceptances from the holders of only 1.32 per cent of Tootal's shares.

Entrad has extended its offer to April 12, but appears to be waiting for a profit forecast from Tootal for the year ending January 1986 before announcing any increase in its offer.

By last Friday's second closing date on the Entrad offer it had acceptances from the holders of 2.33m shares or 1.32 per cent of Tootal. Together with the 10.25m shares it held before making its bid Tootal owns or has acceptances from the holders of 7.1 per cent of Tootal.

Entrad said it assumed Tootal would be making a profits forecast, since Tootal's most recent defence document said "we are updating our forecasts for the current year."

Tootal refused to be drawn however on whether it would make a forecast and pointed out that it was still early in the financial year.

In February, Tootal forecast that for the year ended last January it expected profits to rise at least 30 per cent to £22.5m. It said it would pay a final dividend of 3.1p, an increase of 24 per cent.

The loan note alternative will be available up to a maximum of £100m of the bid price. Tootal's share price fell 1p yesterday to 71p—1p above the Entrad offer.

Bairstow Eves expansion deal may top £2m

In a move planned to strengthen its sales division, Bairstow Eves proposes to acquire Kilroy Estate Agents in a profit-linked deal of £1.9m in shares and cash, plus a maximum possible cash bonus payment of £250,000. subject to profit performance.

The acquisition of Kilroy's eight offices in Bedfordshire and Northamptonshire increases the Bairstow Eves group to 102 sales offices. Following completion the five of the Kilroy offices will trade as Taylors Estate Agency.

The remaining three residentail sales offices in Bedford (two) and Kempton, the Northampton and Luton professional services, and the Kilroy commercial agency and financial services operations. will continue to trade as Kilroy.

The consideration for the acquisition of Kilroy is an initial cash payment of £475,000. The balance of the consideration, (£1.43m, will be satisfied by allotments of Bairstow Eves ordinary shares at a price of 77.2p per share, according to profit performance over the warranty period.

Sykes robotics subsidiary sold to Japanese group

BY NICK GARNETT, NORTHERN CORRESPONDENT

Sykes, petrol retailer and engineering group, has sold its 76 per cent stake in Preston-based Dainichi-Sykes Robotics to Dainichi-Kiko, the Japanese robot manufacturer.

Dainichi-Kirko which set up Dainichi-Sykes in conjunction with Sykes four years ago, owned 12 per cent.

The balance of shares remain in the hands of Mr John Tomlinson and Mr David Walker, joint managing directors of Dainichi-Sykes, who were brought on to the Dainichi-Kiko board in 1983.

Dainichi-Sykes, which will keep its existing name at present, puts together automated manufacturing systems. It had a £3.5m turnover last year.

Dainichi-Kiko, one of the three biggest Japanese robot manufacturers, had a share placing in the UK earlier this year, raising more than £14m through the acquisition of 160,000 shares of the company's common stock by six British investment companies. A share issue in Japan last year raised a similar amount.

Dainichi-Sykes, which employs 120, said yesterday that Dainichi-Kiko had made Sykes a good though undisclosed offer for its shareholding and it was important to be part of a company with a strong automation base.

The Preston company, whose customers include Jaguar and Rank Xerox, has completed a number of distribution agreements with some large European engineering companies, including Thomson of France and Stiefelmeyer in West Germany.

Bisgood Bishop name change

Bisgood Bishop, the stockjobber which is to merge with National Westminster Bank, is to change its name to County Bisgood.

The proposed change is intended to reflect the progress being made towards the eventual integration of the company into the NatWest group, under the umbrella of County Holdings. Bisgood is also appointing five new directors from its dealing team to the board. The five are Messrs John Brown, Martin Burton, Geoffrey Green, Richard Hine and Bob Wade.

MINING NEWS

Greenwich Resources looks to six year life at Gebeit gold mine

BY GEORGE MILLING-STANLEY

RECENT DRILLING has established that there are sufficient reserves of high-grade gold ore to support a mining operation with a life of at least six years at the Gebeit prospect in the Red Sea Hills area of Sudan, Mr Stanley Eskell, managing director of Greenwich Resources, said yesterday.

Greenwich, which has 49 per cent of a joint venture with the Sudanese Government to develop Gebeit, said the mine contained 207,000 ounces of gold calculated by geostatistical methods. This would be worth about $60m (£50.4m).

Mr Eskell said that out of total ore reserves of some 300,000 tonnes established to date, two-thirds had an average grade of 33.9 grammes (1.09 oz) of gold to the tonne, extremely rich by world standards.

The remaining 100,000 tonnes had an average grade of 12 grammes of gold per tonne, and it was from this ore that the mine's initial production would be drawn, probably by May this year.

This lower-grade ore, which is still rich by the standards of all but the top two or three South African mines, is readily accessible through the existing shaft structure.

Profits from the first stage of production will be used to finance the exploitation of the richer material, with throughput gradually increasing to the target rate of 50,000 tonnes of ore a year.

Meanwhile, Greenwich has resumed operations to recover gold from waste material in old dumps on the mine site, at an increased rate of 1,500 tonnes a month.

The Gebeit mine was opened more than 3,000 years ago to provide gold for pharaohs of Egypt. Since then it has been worked by both the Greeks and the Romans. Records suggest that the mine may have produced something like 138,000 ounces of gold from 248,000 tonnes of ore during its much interrupted life.

Greenwich started life a couple of years ago as an offshoot of geological consultant Robertson Research, which retains an interest of 20 per cent. In recognition of the fact that about 85 per cent of the mining company's shares are held in the UK, Greenwich plans a change of domicile to the UK and will seek a listing on the London Stock Exchange.

BOARD MEETINGS

TODAY

Interims:—C. H. Beazer, Arthur Bell, Burgess Products, City of Aberdeen Land Association, Manson Finance Trust, Minerals and Resources Corporation, Murray Ventures, Precious Metals Trust, Pressac, Ricardo Consulting Engineers.

Finals:—American Trust, Bemrose, Berkeley Exploration and Production, Booker McConnell, Brent Chemicals International, Brewmaker, British Aerospace, W. Canning, Croda International, Delta Group, Dufay Bitumastic, East Rand Consolidated, Enterprise Oil, Equity and Law Life Assurance, Garton Engineering, HB Electronic Components, Home Charm, IMI, Iceland Frozen Foods, Johnson Group Cleaners, Reckitt and Colman, Smith and Nephew, Standard Chartered, Trade Indemnity.

FUTURE DATES

Interims:—	
AB Electronic Products	Apr 3
Britannia Security	Mar 28
London and Prov. Shop Centres	Apr 11
Martonair International	Apr 11
Mills and Allen International	Mar 28
Photo-Me International	Apr 1
Portals	Apr 3
Finals:—	
Amex	Apr 3
Aquascutum	Apr 12
Beauford	Apr 3
Bodycote International	Apr 3
Brammer	Apr 2
Bunzl	Mar 27
London and Edinburgh Trust	Apr 1
Peninsular and Oriental Steam Navigation	Mar 28
Portals	Apr 3
Rea Brothers	Mar 27
Squirrel Horn	Mar 28
Weir	Apr 3

THE MANAGEMENT PAGE: Small Business

EDITED BY CHRISTOPHER LORENZ

Japanese entrepreneurship

Breaking cultural tradition

Nobuko Hara explains how Yoshifumi Amano left Sony to set up on his own

Yoshifumi Amano: kept faith with his technology

YOSHIFUMI AMANO agonised over his decision to present Norio Oga, president of Sony, with something akin to an ultimatum. His plan to "go it alone" amounted to cultural heresy in a country where lifetime employment and loyalty to company are established features of corporate life.

But, taking a deep breath, he entered Oga's office and pleaded: "Please let me do it. If Sony lets go of the plasma display (a technology which makes possible the 1-inch thick screen for televisions and computers) now, all our efforts will go down the drain. If you leave the technology with me I promise to turn that into an interesting product, and make a profit to repay all the money we spent on its development."

Oga was surprised by the request since it was not something a Japanese employee would do. At the same time, though, he was moved by Amano's devotion to his own invention—which Sony's directors had decided did not justify continued support. After a long silence, Oga said: "All right. If you are sure of yourself, go ahead."

Six months later, in November 1983, Amano left Sony to set up Dixy Corporation, in Yokohama, to develop, manufacture and market the ultra thin and high quality screens.

A display specialist since joining Sony in 1967, Amano began the development of the plasma display in 1978, at the request of the former Sony president, Kazuo Iwama. By that time, IBM, NEC and several other American and Japanese computer manufacturers were already incorporating the glass-thin display in their products. But they were too expensive for widespread use, and the pictures were not clear enough.

With a team of 10, Amano quickly overcame the problems. His major break, though, was to reduce electricity voltage from 100 to 30 volts. This enabled him to use cheaper integrated circuits and thus nearly halve the overall cost. He also improved the quality, by reducing the size of the dots of the screen from 0.5 millimetre each to 0.2

In November 1981, the new plasma display was unveiled at the Science and Technology Museum in Tokyo. Tadahiko Sekigawa, who at the time was in charge of plasma display at rival Okayo Electricity, still clearly remembers his first impression of the display. "It was a remarkable achievement. It caused a sensation in our company."

The following year, the Society of Information Display (SID)—a well-known U.S. trade organisation—made Amano a fellow at its San Diego conference in recognition of his development.

Unfortunately, the happy news coincided with president Iwama's death and Sony's downturn in sales. In the spring of 1983, chairman Akio Morita and other Sony executives decided to discontinue the development of the plasma display in order to cut back on the research costs. Amano's version of plasma was still too expensive to apply to television sets. (Colour plasma costs 10 times more than the conventional screen.) It had a greater prospect for use in computers, but Sony was not a computer maker.

It was then that Amano decided to stick by his own invention and leave Sony. He was convinced that there was a market for plasma display.

By 1983, the limitations of a liquid display system—an alternatiave flat display—for use in computers had become apparent, and as a result interest in the plasma display had grown stronger. And American businessmen and engineers at the Tokyo conference of SID that year assured Amano of a booming market for his product in the United States, if nowhere else. "I knew then that I could do it," reminisces Amano.

But in setting up his own company, Amano was particularly careful not to upset the Sony management. Since Sony held the patent of the plasma display, Amano could not go ahead without company approval. Moreover, for his own peace of mind and the future of his new company a good relationship with Sony seemed essential. After winning president Oga's support, he patiently spent six months persuading directors. Objections were stronger than he had anticipated. "At one stage I feared that my plan would go overboard," Amano remembers.

Amano's efforts paid off. Sony allowed him use of the patent. And in the end he won an unexpected bonus—financial help. Sony was not going to let go of its technology completely, Amano explains. In order to retain some of it, the company insisted on holding at least a third of Dixy's shares. Sony put up 35 per cent of the Y300m (approx £1m) capital.

"At first, I wanted to be completely independent," Amano says, and he asked Sony to reduce the share to 20 per cent. "But gradually, I realised that I may need Sony's back-up after all."

The rest of the capital was raised by U.S.-based Pacific Venture Fund, Amano and the directors of Dixy, and Olivetti, the Italian electronics giant. Olivetti had been interested in the plasma display since the company saw it at the Hanover Fair in 1982. It put up Y60m (approx. £200,000).

Finding people to work for him was harder than raising money, Amano explains. Because of the lifetime employment system prevalent in Japan, job-switching is still uncommon. But there were a few who could share Amano's vision. Amano brought four men from Sony, one of them an accountant, Akira Furuya. Then Yoichiro Sugii of Akai Electricity and Okaya Electricity's Sekikawa joined him. Today, Dixy employs 35 workers.

Dixy's mass manufacturing has not yet begun. Currently, it is concentrating on producing samples aimed at computer and machine tool manufacturers. "We've had no complaints from our clients so far. [He does not reveal who they are.] I'm confident that our plasma display is the best there is," Amano says. The display, which was nearly two inches thick at Sony, has been slimmed down to an inch.

He is getting closer, inch by inch, to his ultimate goal of producing a hang-on-the-wall television set. "At first I thought it would take us five years, but now I'm confident that I can launch a television on the market within three years," Amano concludes.

NOBUKO HARA

A Wizard plan to up dividends and cut salaries

BY WILLIAM DAWKINS

HUNTER KNIGHT, 46-year-old managing director of Wizard Electronics, winced as he tried to work out how much National Insurance he would now have to pay, thanks to the Budget, on his own £40,000 salary and those of his two equally highly paid fellow directors.

Returning from a working trip to Rabat, where Wizard's micro-chip based mouth organs were finding a growing market in the burgeoning Moroccan snake-charming industry, Knight and his marketing director, Steve Corbett, reflected glumly on the paucity of favourable small business measures compared with previous budgets. It had been the generous package in 1983 (when the mythical company first appeared on this page) which had led him and his fellow directors to buy out Wizard from its ailing and bureaucratic U.S. parent, Disaster Areas Inc.

The West Midlands company's programmable mouth organ has proved a hit with pop stars, buskers, and more recently home computer users eager to try out a new high-tech toy after getting bored playing space invaders. Sales have mushroomed; Wizard and its directors have become flush with cash.

Last year, Wizard could even afford to invest in a £100,000 industrial robot, partly to beat the 1984 Budget's crackdown on capital allowances, and partly to prepare for a push into overseas markets, spurred on by sterling's weakness.

Knight was admittedly not expecting much from last week's Budget, but neither was he expecting to have to pay 10.45 per cent National Insurance as from next October on the salaries of employees earning more than £265 per week or £13,780 annually. Previously, the amount paid had ceased to increase above £250 per week.

A quick sum on Knight's pocket calculator showed that his own salary plus those of Corbett and Luke Jones, the production manager, came to £120,000, attracting an annual National Insurance bill of £12,450—a nasty little dent in next year's projected taxable profits of £200,000.

The resourceful Corbett (it was he who dreamed up Moroccan snake-charmers as a new market) finished scribbling on the back of his in-flight duty free guide, and looked up cheerfully. "There's a way round everything," he grinned.

For a start, he suggested, the directors should consider taking massive salary cuts and making up the difference in dividend payments. Moreover, they could make their salaries look even smaller by splitting them with their wives, who could be taken onto the payroll—after all there was no shortage of work at the fast-expanding Wizard.

Come to think of it, added Corbett, some of the key employees were beginning to look a little overpaid for National Insurance purposes. One way to keep their salary growth down and keep them happy at the same time would be to set up a profit sharing scheme.

He pointed out that such handouts were made more desirable by the Chancellor's ruling that shares acquired through a profit sharing scheme may be sold without attracting income tax after just five years, as against seven years previously. It would even be worth thinking about a flotation on the Unlisted Securities Market in a few years to make the share incentives still more attractive. Some of the staff had been getting restive recently, and it would do well to buy their loyalty.

They might also take more of their remuneration as payments in kind like company cars (though these are to be more heavily taxed) or contributions to personal pension plans now that the Chancellor has scotched rumours of a tax on pensions. "What about a creche?" chipped in the soon-to-be-salaried Mrs Corbett.

"And there's another thing," added her husband. "Now's the time to have another look at that takeover." Wizard had for some months been unsuccessfully courting a Scottish maker of electronic bagpipes, whose 60-year-old proprietor had baulked at the deal because of the huge Capital Gains Tax liability he would notch up on selling his shares. He will now be allowed to take £100,000 of his profit on the disposal tax-free; he would have had to wait until he was 65 to qualify for the full concession before last week's Budget.

Knight, meanwhile, was busy doing his own calculations. His scheme for building retirement homes on some waste land and raising money under the Business Expansion Scheme as a property developer had to be demolished—frustrating, since his plans for a tax-subsidised farm went the same way last year.

But the Budget did open the way for him to set up a research and development venture under the BES. It was just what Wizard needed to get its next generation of products off the ground, and he could staff it with low-paid unemployed science graduates to take advantage of the new graduated entry into National Insurance which made it cheaper for employers to hire people on low wages.

As Corbett listened to his boss's speculations, he started to sketch out an advertising slogan on the space left on his duty-free guide. "Not much time left," he said. "We'd better mount that advertising campaign we were discussing last month before Lawson slaps VAT on newspaper and magazine advertising on May 1. How about: 'We're whistling with Wizards?'"

In brief...

ONE pressing problem for small businessmen is how to keep abreast of matters like new legislation, new sources of finance and the availability of grants without wading through heaps of written material.

Peat Marwick, the accountancy firm, is offering help in the form of a handy loose-leaf guide designed to keep directors up to date on how to run their businesses successfully and manage their personal finances. It contains a series of short easy-to-read surveys on subjects like corporate tax, management, accounts, business start-ups and where to go for finance.

Entitled Business Advisory Service, the guide costs £20—free to clients — which includes regular up-dates in the first year. Details from David Carter, Peat Marwick, 1 Puddle Dock, Blackfriars, London EC4 3PD.

●

MANAGED Technology Investments, the venture capital fund formed last year by Prudential Assurance, Morgan Grenfell and PA Consulting Services, has invested £300,000 in a Peterborough software company.

Integrated Vision Systems has developed a low-cost computer aided draughting system designed for anybody who needs to make accurate drawings. MTI's investment gives it a majority holding in the company, which will use the funds to strengthen its marketing and speed up product development.

●

STRUGGLING INVENTORS worried that big companies might poach their valuable ideas can now protect their intellectual property thanks to an unusual insurance policy.

Surrey-based Legal Protection Group is offering to pay inventors up to £100,000 to cover the costs of defending a patent or copyright in court in return for an annual £95 premium. The group points out that it can take up to four years to obtain a patent, and that heavy legal fees will be incurred in any infringement action. A recent government green paper showed that even a simple case can cost between £50,000 and £60,000.

●

"THE HOW to of . . . small business," a compilation of Ian Hamilton Fazey's articles which appeared on this page, is now available in booklet form, at £3.75 each (cheque with order), from Nicola Banham, Publicity Department, Financial Times, Bracken House, Cannon Street, London EC4P 4BY, who will also supply details of discounts for bulk orders.

●

ISLAND Community Enterprises is holding an open day and exhibition tomorrow at St John's Community Centre, 37-43 Glendall Grove, London E14 (Isle of Dogs), at which it will explain some of the projects it is planning. These include the compilation of a local skills register, a free service designed to help local companies fill vacancies. Sponsored by the London Docklands Development Corporation, ICE aims to encourage job creation in the area by bringing together local industries and the community. Details from George Pye, chairman of ICE, 19 Glengarnock Avenue, London E19. Telephone: 01-538 1308.

W.D

Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

هكذا من الأصل

Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

FOUNTAIN FORESTRY
Fountain Forestry Limited

INVESTMENT OPPORTUNITIES IN FORESTRY

PIERCE BROOK FOREST ACWORTH NEW HAMPSHIRE	MENDON BROOK FOREST VERMONT	ATTEAN MAINE
560 acres	971 acres	16,595 acres
Good stands of white pine and valuable northern hardwoods. Break even cash flow and excellent capital growth prospects.	Beautifully situated within popular skiing area. Excellent hardwood crop will provide immediate income and good capital growth. River frontage.	Excellent hardwood forest in spectacular lakeland setting. Positive cash flow and capital growth.
$196,000	$340,000	$3,650,000

For details of these and other properties available please contact:
B.N. Howell, Tel: 01 631 0845, Telex: 295693
Or write for a free copy of
"The Professional's Guide to Forestry Investment and Taxation" to:
Fountain Forestry Ltd,
37 Queen Anne Street, London W1M 9FB

COMPANY OWNERS, DIRECTORS OR EXECUTIVES
REAL ESTATE FINANCE AVAILABLE
FOR INITIAL OR REMORTGAGE PURPOSES
CORPORATE OR PERSONAL USE

Advances of £30,000 to £1 million available to sound trading companies, or executives, on specially attractive tax-efficient terms.

For details please write your name and address on your letterheading and post to us today.

DEBRASCO & COMPANY LTD.,
41 Christchurch Road, Sidcup, Kent DA15 7HQ
(We regret no telephone enquiries can be accepted.)

TAX SHELTER

HAVE YOU BEEN LET DOWN ON YOUR 1984/85 100% IBA PURCHASE?

We have documentation ready for completion before midnight tonight 26th March

WYNCOTE DEVELOPMENTS LTD
Tel: 0273 778722 Telex: 877438

100% IBA's

HERE TODAY
GONE 27th MARCH
Units in London and other select locations
All rents fully guaranteed
Some by local authorities
TELEPHONE JOHN PIPER AT BROMBARD
0273 28311 - TELEX 877865 BROM G

LISTED COMPANY

Our client, a growing service company, wishes to merge with a listed company, 1985 PBT forecast at over £500,000.

Replies to: Janusz Heath, AITKEN HUME LIMITED
30 City Road, London EC1Y 2AY. Tel: 01-638 6070

TRANSPORT DISTRIBUTION COMPANY REQUIRED

(substantial funds available)

Our client, an international transportation company, wishes to acquire an established business on which to base its development in the UK. Essential requirements include a presence in the Midlands, experience of trunking and local distribution services and a probable mixed fleet of 50/70 or more units. Anxious to keep existing management and staff.

For further information please contact:
Hodgson Harris & Associates
40/43 Chancery Lane, London
WC2A 1JJ quoting ref H/2131
Tel: 01-405 7982

Established Continental European Marine Recovery Agent/Surveyors
are looking for someone to open London offices. Mission: handling and expanding contacts with local UK principals. Handling of files for the mother company.
Write Box F5605, Financial Times 10 Cannon St, London EC4P 4BY

LEISURE INVESTMENT

New venture to offer innovative personal services with high media profile requires £75,000 to secure mid-85 launch. Equity available and participation welcomed.
Write Box F5604 Financial Times 10 Cannon St. London EC4P 4BY

THE PROFESSIONAL SALES ENGINEERING AGENTS INDEX
PSEA
The Link between Principal and Agent
Find your qualified, independent UK Sales Agents via the Institute of Sales & Marketing Management Engineering Agency Database.
Write to the Institute, Dept 103, 31 Upper George St, Luton, Beds.

MARKETING OPPORTUNITY FOR INSTRUMENTS

A well established UK instrument company manufacturing Ultrasonic level and flow measurement systems, electronic pressure transmitters and liquid meters for the water, effluent and industrial markets seeks complimentary products.

The company is a division of a large engineering group and is represented in the UK with a highly trained team of directly employed Sales and Service Engineers. Write Box F5592 Financial Times, 10 Cannon Street, London EC4P 4BY.

VENTURE CAPITAL

Have you an embryo project with the potential of USM listing within five years? Our funding, marketing guidance and financial management may be just what is needed.
Write in confidence to:
Radway Holdings Limited
PO Box 128, Coventry CV1 1PP

UNIQUE OPPORTUNITY COSMETICS

Large stock of high quality products—whole range—most attractively presented (in Spanish), available immediately. Ideal for promotion purposes, i.e. sales incentives, package tour hand-outs, etc. Quantity or product-mix per package to suit customer needs.
For details write
Box F5593 Financial Times
10 Cannon Street, London EC4P 4BY

Could your business use
FINANCIAL THERAPY?
Couselling may help you solve your problems.
My independent viewpoint, experience and structured solutions could prove invaluable.
Interested? Call me today:
IVOR L. GREEN, MBA (HARVARD)
TEL: 01-435 7039
Initial assessment without obligation

LONG ESTABLISHED AND HIGHLY RESPECTED SMALL/MEDIUM SIZED
SOUTH INDIAN BUSINESS
seeks collaboration with similar sized UK manufacturing/industrial concern. All enquiries considered
Reply please to:
Box F5591, Financial Times
10 Cannon St. London EC4P 4BY

Newly formed company in field of
MARINE LUXURY FOOD PRODUCTION
Requires private capital to assist with further development of project to increase output. Subscribers will qualify for tax relief under the business expansion scheme provisions.
Write Box F5587, Financial Times 10 Cannon St. London EC4P 4BY

EXPANSION CAPITAL
Enquiries considered from businesses seeking growth capital or acquisition financing in excess of £250,000 without equity participation.
JVIG (U.K.) LIMITED
27 Old Bond Street
London W1X 3AA
Tel: 1-629-8333
TLX: 22749 (JVIG UK G)

SMALL HAMPSHIRE-BASED ENGINEERING COMPANY
Marketing process cooling and air conditioning equipment on a nation-wide basis, wishes to attract suitable investment partner. Turnover 85-86 est. £1m rising to £2.5m over 3 years.
Write Box F5598, Financial Times 10 Cannon St. London EC4P 4BY

CRUDE

U.S. Trading Co. seeks supply of all types of crude. Have immediate need for Saudi Light, Indonesian Minas and Urals Crude.
Please send offers to:
California Pacific Trading Corp
2485 Huntington Drive
San Marino, Ca 91108, USA
Tel: (213) 681-0324
Telex: 188743 PSBROS SNCL

LESSORS

Our equipment leasing service provides our corporate clients with:

TAX EFFICIENT — RAPID PAYBACK
SECURE — PROFITABLE BUSINESS

For details of how Equipment Leasing can be tailored to your company's forward planning please contact:—

John Lenton, Melvyn Bryant or Ross Millard
AITKEN HUME LEASING LIMITED
30 City Road, London EC1Y 2AY
Telephone: 01-638 6011

Maximise Your Leasing Profits

EXISTING LEASE PORTFOLIOS ACQUIRED FOR IMMEDIATE SETTLEMENT

Increase your available cash resources

Remove the uncertainty of future rental adjustments

Deferred tax liabilities avoided

Contact Iain Mackintosh
Baltic Leasing Limited, 1 Great Cumberland Place, London W1H 7AL
Telephone 01-402 3247

PRIVATE BUSINESS AIRCRAFT CESSNA 414 A

SPECIAL OFFER

Industriekontor sells 1982 Cessna 414 A Chancellor with 300 hours since new for US$300,000 (factory standard price US$452,000!!) including ferry flight to the U.S., demonstration flight and consignment of the aircraft in Austria.
Aircraft in first-class condition, one owner only, corrosion proofing, pressurisation, cruising speed 224 kts/h, radar, sophisticated avionics, 2 pilots and 6 passenger seats, club seating, executive tables, refreshment centre, toilet. Interior: rust and beige in vinyl and leather. Exterior: white with blue and rust side stripes. Cessna 414 A — the world's most economic twin with cabin-class comfort.
Call INDUSTRIEKONTOR Ges.m.b.H., SALZBURG, AUSTRIA
Telephone 0043/662/851212/18 or Telex 633773

FINANCIAL PARTNER

Successful entrepreneurial partnership involved in mergers, and takeovers at both private and PLC level, mostly in the area of natural resources and usually for short term capital gain seek bank or individual with cash to fund other lucrative projects. An independent decision maker who is able to act quickly will be rewarded with equal share of profits.
Write Box F5601, Financial Times
10 Cannon Street, London EC4P 4BY

BUSINESS OPPORTUNITY

Development Company seeks Investment/Property Company for joint venture with development funds available. Principals only need apply.
Write Box F5586, Financial Times
10 Cannon Street, London EC4P 4BY

SECURITY INVESTMENT OPPORTUNITY

Rosengrens is the market leader in the provision of safe deposit centres having recently constructed and equipped on behalf of private investors five such centres located in central London. Rosengrens now has planned several similar projects in major provincial cities and is seeking investors who would be interested in developing with Rosengrens this new and exciting growth area of the security industry.
For more information please write to:
The Managing Director, ROSENGRENS LTD.
ROSENGRENS LTD.
Livingstone House, Carteret Street, London SW1H 9DR

OIL & GAS RESERVES

BEHIND PIPE - TEXAS-COAST

- immediate low cost devl.
- no cost for reserve acqui.
- very attractive returns
- intangible/tangible 2/1
- quality engineering

Joint-venture Partners for $1.3m to $5m are sought
RESERVOIL PETROLEUM CO
HOUSTON - TEXAS
Write Box F5595, Financial Times 10 Cannon St, London EC4P 4BY

EQUITY INVESTMENT FINANCIAL SERVICES

An opportunity exists to invest in a project which is based upon sound experience and which incorporates a totally new concept in corporate financial services. It provides genuine opportunities for development and excellent growth prospects.
Principals only please
PHONE: (0932) 57155

PRODUCTS FOR LEISURE AND FAST FOOD TRADES WANTED
Sales and Marketing Company looking for additional non-food lines for UK. Professional sales/distribution service. *Write in confidence to:*
Cater Management Ltd, Suite One
77a High St, Newport, Shropshire
TF10 7AU, England
Tel: 0952 815756 - Telex: 35400

REVERSE CONCESSION OPPORTUNITIES

In-store concession opportunities now available via major national retailer. Prime high street sites. Up to 50 locations. Spaces from 500 sq ft. For further information apply:
Box F5600, Financial Times
10 Cannon St, London EC4P 4BY

CANADIAN TELEVISION/FILM PROGRAMME DEVELOPER
requires working capital for U.K. expansion and international sales. Can qualify for B.E.S. fine track record, demonstrated commitment, government supports, sensible return/risk ratio: Mr J. Stanley, 340 5749: or Mr D. Segal, Ward, Segal, Gloucester, Chartered Accountants, 29 Welbeck Street, London W1M 8DA: 01-486 9893.

PRIVATE LIMITED COMPANY
With new product, world patents, substantial loan funds available from major national body requires £100,000 equity (suitable for BES participation).
Reply to Chairman
Box F5597, Financial Times
10 Cannon St. London EC4P 4BY

Four Holiday Houses

SOUTH FRANCE
St Cyprien Plage, Perpignan, for sale, as investment, from UK owner. Valued at £96,000. Sale price £86,000. *Contact:*
Mr Adams, 12 Bryant's Acre
Wendover, Bucks - (0296) 625907

COMPUTER COMPANY with new process control, data logging product selling into Public Utilities requires equity capital. Minority/controlling interest available.—Write Box F.5590, Financial Times, 10, Cannon Street, London, EC4P 4BY.

INVESTMENT SOUGHT for proposed Leisure Complex, S.E. England. £1.25m for 95% equity. Venture capital.—Write Box F.5599, Financial Times, 10, Cannon Street, London, EC4P 4BY.

DEESIDE OPPORTUNITY AREA. If you're setting up, expanding or relocating your business, think Deeside, North Wales. Deeside has Development Area Status. European and BSC Industry loans too. An outstanding package. For the full facts call Peter Summers at the Deeside Enterprise Trust on Chester (0244) 815262.

INVESTORS REQUIRED. For specialist Joinery Manufacturer, Midlands based. Modern New Freehold Premises. Good Skilled Labour. Latest Machinery. Principals only need apply. Offers considered. Write Box F.5536, Financial Times, 10, Cannon Street, London EC4P 4BY.

TAX SHELTER. Lancashire, Haslingden. 100% capital allowances available on 3 Nursery Units, 625 sq ft each. 8% initial yield. Rental £2,080 pa. One year rental guarantee. Price £26,000 each F/H. Horne and Co. 0706-3367.

TOKYO/TSUKUBA. Businessman visiting Japan from April 2. Will undertake assignments. Tel. 01-387 7010.

INVESTMENT FOR SALE. 100% IBA investment. 6 Nursery Units each 825 sq. ft. Superb specification. Kingsbury Road, Minworth, Birmingham. Prominent main road position. Developers Rental Guarantee. Freehold £26,000 per unit. Salway Upton & Partners. 021-643 1595.

SUBSTANTIAL Machine Engineering Co. required as partner/collaborator to launch revolutionary new tea/leaf processing machine for world market. Financial investment required. Blythe-steel Upminster 28150.

KATHY METHVEN. Couture. Fine Paintings. Jewellery. seeks sponsorship for projects from enterprising investor. 0303 41701.

INVESTMENT required (theatre) for National tour, star names. Write Box F5589, Financial Times, 10 Cannon Street, London EC4P 4BY.

LONDON NW4. Private Office Workspace plus all secretarial back-up if required. From only £250 per quarter. 5 mins from the M1. A real London office whenever you want. Ask for our Brochure 01202 5598.

PROPERTY COMPANY
IN SOUTH EAST
With Residential Investments value £3½m require
REVOLVING CREDIT OF £2M
Principals Only
Write Box F5584, Financial Times 10 Cannon St, London EC4P 4BY

BES

Business Information Publisher, leader in specialist field, requires term capital to replace short-term debt and to develop very considerable potential. BES equity available or 100% security over property plus equity and/or option.
Principals only please contact: P. L. Anderson FCCA, tel. 01-567 7316. Financial Intelligence & Research, 49 The Avenue, London W13 8JR.

Available for this Tax Year

100% Capital Allowance Industrial Investment, Plc
guaranteed until let
£1.365 million.
Tel: David Rose
The Elliott Partnership
061-834 0011

INVESTMENT PARTNERS NEEDED

- Select land strategically located near Disneyworld/Orlando
- Option to purchase at well below current market value
- Additional financial partners required to complete purchase and take title to highly valuable land
- Short holding period before very profitable resale (projected at 100% plus) to developers interested in building international tourist attraction, hotels, shopping centre
- Investment range US$25,000 to US$2,500,000

EURO-AMERICAN INVESTMENT CORPORATION
100 N. Biscayne Blvd
Suite 1209, Miami, FL 33132
Tel: (305) 358-8097
Telex: 803237 EURO MIA

INDUSTRIAL FASTENER MANUFACTURER/DISTRIBUTOR – TURNOVER £2M
A well established profitable business located in North West England is seeking to expand by linking up with a company marketing a complementary range of industrial products/services based in either the West Midlands or South of England for the purpose of developing sales at both locations. Link up could ultimately lead to outright purchase if desired.
Write box F5588, Financial Times,
10, Cannon Street, London EC4P 4BY.

PRESTEL ADVERTISING

Sales Company selling Prestel or graphics advertising by telephone required for Prestel information provider with completely new concept
Reply in confidence to:
Box F5603, Financial Times
10 Cannon St. London EC4P 4BY

INTERNATIONAL TRADE Finance Company has substantial funds available to finance Nigerian trade. Principals only. Write Box F5602, Financial Times, 10, Cannon Street, London, EC4P 4BY.

Business Services

COLLINS-WILDE
wish to hear from principals of profitable non-franchising businesses of any size which may logically benefit from cash/funding injections from £50,000 upwards in exchange for 50% of the equity.
We also wish to hear from principals of companies who wish to plan their retirement or seek to acquire a partner.
Collins-Wilde Associates act as financial advisers to companies and may be retained to dispose of all or part of your business or identify fresh funding on a confidential basis.
Please contact either Terry Collins or Robert Graham

Collins-Wilde plc
P.O. Box 48, Hursley, Winchester, Hampshire, England, SO21 2LL
Telephone: 0962 - 75260 Telex: 477104

DO YOU NEED MONEY?
£100,000 — £10,000,000

has been raised for our clients' realistic
PROPERTY SCHEMES OR BUSINESS PROPOSITIONS
by correct analysis, presentation, identification of appropriate sources of finance and detailed negotiations. Can we assist you?
For an honest discussion without obligation, please contact:
PROPERTY AND FINANCE CONSULTANTS LTD
63 Coleman Street, London EC2 - Tel: 01-628 4545 - Telex: 8813840

EXECUTIVE OFFICES LONDON W.1

Fully furnished air-conditioned Executive Offices at prestige W1 address available immediately for periods from one month

Services include:

- Electronic Mail
- Telephone
- Telex
- Facsimile
- A/V Presentation Studio
- Conference Rooms
- Photocopying
- Secretarial Services (WP)
- Photocopying

Please contact: Pam Farrow
Network Nine
19 Stratford Place, London W1N 9AF
Tel: 01-629 9999 - Telex: 291429

48-HOUR OFFSHORE COMPANY FORMATIONS
PANAMA - DJIBOUTI
ISLE OF MAN - USA
With optional nominees, directors and confidential Swiss, USA, or Djibouti bank account
Offshore Banks formed
MONEX, 10 Park Place, St James's
London W1A 1LT - Tel: 01-408 2007

LIMITED COMPANIES

FORMED BY EXPERTS
FOR £103 INCLUSIVE
READY MADE £111
COMPANY SEARCHES
EXPRESS CO REGISTRATIONS LTD
Epworth House
25-35 City Road, London, EC1
01-628 5434/5, 7361, 9936

MORTGAGES

on Commercial, Industrial Residential Properties
—at competitive rates
Write or telephone:
HIRSCH MORTGAGE (INT'L) LTD
Europe's leading Mortgage Brokers
15 Berkeley Street, W1
Tel: 01-629 5051 - Telex: 28374

INTERNATIONAL OFFSHORE CO INCORPORATIONS
FROM £110.00
Comprehensive Administration
Nominee Services, Powers of Attorney
Registered Offices, Telex, Telephone
Mail Forwarding
ISLAND RESOURCES
Ballacarrie House, Summerhill
Isle of Man
(0624) 28020-20240-28933
Telex: 628352 ISLAND G

ADVICE FOR YOUR BUSINESS. Consultant, BE, MBA, offers independent and objective help. Low cost. Short jobs preferred. Initially contact 01-289 7184.

DIRECT MAIL LISTS & SERVICES—100s of ready-built Lists immediately available. Suppliers to leading UK companies. Free catalogue. Marketscan, Stirling House, Stirling Rd, Chichester, Sussex. Tel: (0243) 786711

MARBLE ARCH OR W1 — Confidential accom. add., tel anow., telex, secretarial and luxury serviced offices. C. & S. Group. 01-402 9461.

ASSETS of Insolvent Companies for sale. Receiver and Liquidators Classified. 01-637 3736

£2.30 P.W. FOR EC2 ADDRESS combined with phone messages and telex under £6 a week. Prestige offices near Stock Exchange. Message Minders International, 01-628 0898. Telex 8811725.

IBA's IBA's tax efficient yields up to 16.8%. Contact John Piper on 0273 728311.

Businesses for Sale

International

FLORIDA BUILDERS FOR SALE

OWNED BY BRITISH COMPANY

Going concern, situated central West Coast, with reasonable land bank.

Approximate value $2,000,000, with good Bank facilities.

Principals only to apply.

Write Box G10603, Financial Times
10 Cannon Street, London EC4P 4BY

Company for Sale — USA

U.S. manufacturer and marketer of auto tyres, which has national distribution through company-owned retail outlets. Sales U.S.$10 million; profits $750,000; net worth $1.5 million; price $3.5 million with $1.5 million down payment. High dollar rates mean higher dollar returns. By using our acquisition expertise in structuring and negotiating, you may only have to utilize part of your acquisition funds for the down payment.

BUSINESS BUYERS INTERNATIONAL, INC.
9 Campus Drive, Parsippany, NJ 07054 USA
Tel: (201) 285-1711 Telex: 230199 Swift UR - Attn. BBI

Our integrated team of specialists provide the expertise to assist the buyer in a successful acquisition

Write Box G10575, Financial Times, 10 Cannon St, London EC4P 4BY

U.S. DRUG CHAIN FOR SALE

Two divisions of a large retailing conglomerate located in Midwest. Drug chain has 38 stores and turnover of $60 million. Sundry chain has wholesale division and 41 retail stores with turnover of $10 million. Both operations profitable with good outlook and good management in place. Sales price slightly in excess of book value. Representative will be in London week of April 1 to meeting with interested buyers.
Write to: The Chairman
Box G10586, Financial Times
10 Cannon St. London EC4P 4BY

INTERNATIONAL BUSINESSES FOR SALE APPEARS EVERY TUESDAY
The rate is £35.50 per single column centimetre

Businesses Wanted

PROFITABLE COMPANIES WANTED

We are medium sized engineering and industrial services publicly quoted group based in the Midlands, but with national interests, looking to expand its manufacturing and service operations.
You are, hopefully, a privately controlled company with a good profits record, which is now a minimum of £75,000 pre-tax per annum, wanting to explore the realisation of your capital investment whilst retaining autonomous management responsibility for the immediate future.
If you believe we have something to offer each other then write in confidence through:
Box No. FT884, St James's Corporate Communications Ltd
St James's House, 4/7 Red Lion Court, London EC4A 3EB

ASSOCIATION or ACQUISITION

Expanding company seeking acquisitions or associations with companies involved in

PLASTICS MANUFACTURE, PACKAGING OR PHARMACEUTICAL EQUIPMENT

Loss-making and badly managed companies not wanted. Own product range with marketing outlook favoured.

Write Box G.10619, Financial Times
10 Cannon Street, London EC4P 4BY

WANTED
CREDIT DEBTS

We wish to increase our portfolio by the acquisition of Unsecured Credit, Hire Purchase or Loan Debts, with a book value of between £50,000 and £10,000,000. We will consider the acquisition of debt or complete companies.
Organisations wishing to discontinue the provision or funding of their own facilities should contact in confidence:
R. Pawson F.C.A. (Group Treasurer)
Provident Financial Group PLC
Colonnade, Sunbridge Road, Bradford, BD1 2LQ. Tel: 0274 733321

SOUTH OF ENGLAND BASED COMPANY

Funds are available to a long established manufacturing business in the South of England to enable the company to diversify and extend its product range by acquiring another business. The basic criteria for the acquisition are:

a) Preferably woodworking or furniture manufacturers but other manufacturing or service companies would be considered
b) Commercially healthy with sound management who will continue in place at least in the short term
c) Located in the South of England
d) Not dependent on a narrow spread of customers
e) Ideally with opportunities for increasing automation of production

Replies in confidence to:
Elfed Jarvis, Baker Rooke, 99 Aldwych, London WC2B 4JY

ELECTRONIC TEST & MEASUREMENT EQUIPMENT MAKER WANTED

A client wishes to expand its existing UK operations through acquisitions. Criteria are:

- in or close to Test and Measurement industry
- established R&D capability
- adequate manufacturing facilities

In the first instance, please contact: PS Padmore FCA, Acquisitions & Mergers Service, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY
Telephone: 01-407 8989 Telex: 884657

Price Waterhouse

PROFITS OF £100,000

Do you have a good profits record which is now a minimum of £100,000 pre-tax per annum? Do you wish to realise part or all of your capital while retaining autonomous management responsibility?

We are a small, listed, industrial holding company with cash surpluses and we may be the partner you are looking for.

Write in confidence to Box G10609, Financial Times
10 Cannon Street, London EC4P 4BY

PLASTICS MANUFACTURING COMPANY WANTED

Listed company seeks further expansion through the acquisition of a Plastics Manufacturing Company with an annual turnover in excess of £500,000. Existing management retained where possible. Shareholding in form of minority interest can continue if required.

Reply in confidence to Box G10606, Financial Times
10 Cannon Street, London EC4P 4BY

WANTED PLANT HIRE COMPANY

with substantial tax losses is sought by well-established company. Any location considered but London area preferred. Please write in confidence to:

Box G.10610
Financial Times
10 Cannon Street
London EC4P 4BY

VERY EXPERIENCED
COMPANY DOCTOR
with capacity to spend up to £50m is actively seeking companies in electronics, defence or associated technologies. These can be start-up, hi-tech or established organisations with management problems
Please write to:
Box G10596, Financial Times
10 Cannon St. London EC4P 4BY

We wish to
PURCHASE OR INVEST
in a small/medium size precision sub-contract machining company, preferably with gear cutting facilities, within 20/25 miles of a major industrial centre
All replies, which will be treated in complete confidence, in the first instance to Box G10594, Financial Times, 10 Cannon St, EC4P 4BY

MAJOR FIRM

Involved in insurance broking, life assurance, unit trust advisory services, pensions and benefit consultancy, seeks acquisitions Commission/fee income between £250,000 to £5m pa considered
Write Box G10280, Financial Times 10 Cannon St. London EC4P 4BY

WANTED
We are looking for a company or a "hive down" situation in the field of software, computer peripherals, information technology, entertainment software publishing etc on behalf of a client company.
Please reply to:
CROXLEY SECURITIES PLC
3rd Floor Suite, 14 Lloyd Street
Manchester M2 5ND
Tel: 061-832 4624

SELLING OR RETIRING FROM YOUR BUSINESS?
The Michael Shanly Group have funds available for UK company acquisitions, especially those with property assets. We can purchase as a going concern under your or our management.
Contact:
James Darkins - Tel: (04946) 71331

AMERICAN TECHNOLOGIST BASED IN LONDON SEEKS TO BUY INTEREST IN U.K. ENGINEERING COMPANY OR MANUFACTURING COMPANY
Write Box G10602, Financial Times 10 Cannon St. London EC4P 4BY

SHEET METAL fabricating company in West Midlands with 10 ft x 10g guillotine and press brake capacity. Write Box G.10604, Financial Times, 10 Cannon Street, London EC4P 4BY.

Businesses for Sale

Motor Dealership
Peterlee, Co. Durham

The assets and goodwill of the Peterlee Motor Company Limited are offered for sale as a going concern.

The principal features comprise:
* Annual turnover of £2.5 million
* Sales of new Ford and used cars
* Vehicle servicing and body repairs
* Petrol sales
* Freehold property purpose built in 1980 of 6,000 sq.ft.

For further information please contact the Receivers:
A.J. Richmond and R.A. Barker,
Peat, Marwick, Mitchell & Co.,
City Square House, 7 Wellington Street,
Leeds LS1 4DW.
Telephone: (0532) 450331 Telex: 557794

PEAT MARWICK

FILM STUDIOS
Ardmore, Co. Wicklow, Ireland.

One of the most modern fully equipped studio facilities in the world, situated in a site of c. 35 acres adjacent to Dublin, the capital city of Ireland, is offered for sale by the Official Liquidator.

The principal features comprise:
- Excellent natural scenic locations.
- Four stages, c. 22,000 sq. ft., with adjacent dressing and make up rooms.
- Film making equipment and stage props.
- Office and recreational facilities.
- Skilled labour force available.
- Favourable tax regime.

For further information please contact the Official Liquidator:
Robert Stewart,
Arthur Young,
Portobello House,
Dublin 8, Ireland.
Tel. No. 717055. Telex 90115 AYI EI.

ARTHUR YOUNG

OSMOND TRICKS

On Instructions from K. S. Chalk, Esq., F.C.A & D. H. Gilbert, Esq., F.C.A. Joint Liquidators Re: A. K. Distribution Ltd. (In Voluntary Liquidation)

FOR SALE BY TENDER
(In Trade Lots)
WHOLESALERS STOCK
KITCHEN & BATHROOM APPLIANCES

Including: Neff, Miele and Scholtes Built-in Gas and Electric Ovens and Hob Units, Refrigerators and Dishwashers: Fordham Mistral and Sirocco Bowl and Drainer Work Centres and Sinks in Sylac-acrylic finish: Alape and Leisure Enamel and Stainless Steel Sinks and Drainer Tops—Futura Taps, Mixers and Accessories; Plinth fitting Fan Heaters, Veca Shower Enclosures, Luxury Mirrors, Lighting Units and Bathroom Fittings and Accessories.

also

CATERPILLAR MC30 ELECTRIC FORKLIFT
MEZZANINE FLOOR UNIT
LUXURY FITTED KITCHEN AND BATHROOM SHOWROOM DISPLAYS

On View: Wednesday and Thursday, April 10th and 11th from 10 am–4 pm at 103 CREWS HOLE ROAD, ST. GEORGE, BRISTOL
Closing date for Tenders—15th April
Forms of Tender available at viewing or from 2-14, Regent Street, *Clifton, Bristol BS8 4HG.*

Auction Rooms Tel: (0272) 737201

Hi-Tech Company
Cumbria

The Joint Receivers offer for sale the goodwill and assets of a hi-tech company specialising in the design and manufacture of modems and computer peripherals. The company is based in Penrith, Cumbria and enjoys a current turnover of £1 million.

For further details contact:
The Joint Receivers
David Gummer Rowlands and Allan Griffiths
Thornton Baker, Brazennose House
Brazennose Street, Manchester M2 5AX
Tel: 061-834 5414 - Telex: 667235

Thornton Baker

Sundowner Holiday Park
Hemsby-on-Sea, near Great Yarmouth, Norfolk

21 acre freehold seaside chalet park, 408 chalets including 49 with possession, 359 leased with regular reviews. Exceptional pre-season bookings through main agency brochure. also:

8 acre freehold touring caravan park (with planning permission for holiday accommodation).

The park operates in conjunction with an amusement complex providing a club, heated pool, amusement arcade, shops, etc — now under new ownership.

C&L Cork Gully

For sale as a going concern, further information from:
Jonathan Sisson, Robin Addy, Joint Receivers and Managers
Cork Gully, 74 The Close
Norwich, Norfolk NR1 4DE
Telephone: 0603 619425
Telex: 975456

TURNED PARTS
(Mainly Ferrous)

OFFERS INVITED FOR GOODWILL

Wickman 6 Spindle Machines plus Second Op. Equipment also available. Turnover exceeds £300,000 p.a. with healthy order book.
Principals only apply to: Managing Director, Box G10622 Financial Times, 10 Cannon Street, London EC4P 4BY

FOR SALE

The business and assets of Roth Contract Furniture Ltd — in liquidation — manufacturers of wooden contract furniture based in 37,000 sq ft leasehold premises at Caerphilly, Mid Glamorgan.

Interested parties should contact urgently: R. G. Ellis

Touche Ross & Co.
Baltic House, Mount Stuart Square, Cardiff CF1 6QS
Telephone: 0222 481111 - Telex: 498473

Oil Company For Sale

A well managed and well established Oil Recovery Business providing the following services:

* Collection and reprocessing of waste oil
* Distribution of industrial and domestic heating oil
* Industrial tank cleaning
* Clean up of oil spillages
* North Sea shipboard tank cleaning

Assets include: 700,000 gallon tank storage capacity
Refining facilities
Laboratory
Tanker fleet
Offices located in South of England

This company and its subsidiaries have combined sales in excess of £3 million with substantial supporting assets and profits.

*Write Box G10611, Financial Times
10 Cannon Street, London EC4P 4BY*

Boats Fittings Co. Ltd. in Receivership
t/a Bristol Abattoir Equipment

C&L

The business and assets of this long-established supplier of equipment to abattoirs ... as a going concern.
* Substantial freehold factory
* Annual turnover c. £900,000
* c. 35 employees
* International customer list

For further particulars please apply to the Joint Receiver and Manager:
C. J. Barlow, FCA
CORK GULLY
Nelson House
Rupert Street
Bristol BS99 7EH
Tel: 0272 277165
Telex: 449652

Cork Gully

WELL KNOWN
ESTATE AGENCY PRACTICE
Suburban/London

Multi office, mainly residential, excellent mortgage/finance section

Over £ million fee turnover

Planned expansion programme

*Enquiries Box G10580, Financial Times
10 Cannon Street, London EC4P 4BY*

BUSINESS AND ASSETS OF A
SPORTS AND LEISURE FOOTWEAR CO.

Due to Group rationalisation of activities this Company which specialises in injection moulded sports and leisure footwear is for sale as a going concern.
* Established reputation with major customers
* Turnover £2 pa
* Skilled labour force with local management
* Employees 100+
* Well equipped leasehold premises
* Substantial tax losses negotiable

*Principals only write to Box G10605
Financial Times, 10 Cannon Street, London EC4P 4BY*

MOTOR ACCESSORIES

Owing to proposed retirement of the two controlling directors, Motor Accessory Business for sale. This is one of the oldest companies of its type and supplies most general motor factors in the country (both "main group" and "independent"), and also sells to overseas customers. Offers would be considered either for "goodwill and stock at valuation," or the shares in the company (which owns the business premises). Good profit margins—turnover in recent years has averaged £300,000.

Enquiries to:
BEDELL & BLAIR, 20 Princess Street, Manchester M1 4LS. Ref: LRW

General and Precision Engineers

Well established private company in West Yorks with a good profit record an annual turnover of £1m and 50 employees. Freehold premises, easy motorway access, CNC machinery and a full order book. The company is an approved supplier to MoD and other Government Agencies. The sale is due to the pending retirement of present owners — Price £750,000.

*Reply in confidence to Box G10608, Financial Times
10 Cannon Street, London EC4P 4BY*

HARDWOOD IMPORTERS AND MERCHANTS BUSINESS FOR SALE

Principals only please

*Write Box G10593, Financial Times
10 Cannon Street, London EC4P 4BY*

SOUNDLY ESTABLISHED (20 YEARS) NATIONALLY KNOWN
OUTDOOR CATERING BUSINESS

Concessions and Major Shows — Wholesale and Retail
Large modern well maintained fleet of vehicles. Seasonal T/O ni the region of £500,000. Very high return.
Leasehold Warehouse Premises.
*Principals only write Box G10620, Financial Times
10 Cannon Street, London EC4P 4BY*

SOFT DRINK MANUFACTURERS

PROFITS £1.2M APPROX
Major share of Equity offered For Sale
*Details write Box G10612
Financial Times
10 Cannon St, London EC4P 4BY.*

SOUTH DEVON

an old established, profitable
POTTERY MANUFACTURER

For sale. Good reputation, good turnover, substantial freehold
Price guide £160,000
*Write Box G10415, Financial Times
10 Cannon St, London EC4P 4BY*

ENGINEERING BUSINESS FOR SALE

Engineering business with its own product range servicing the water control and industrial valves market is available for sale. Turnover approx. £750,000 with gross margin 48%. We are prepared to sell *machinery, tools and stock only* and would be an ideal purchase for utilisation of spare capacity in a comparable factory.

*Write Box G10616, Financial Times
10 Cannon St, London EC4P 4BY*

MARCHEAST LIMITED

Manufacturers of
LANDMASTER 4 WD VEHICLES
* All patents and design rights to a vehicle which has been granted "Type Approval" by the Department of Transport
* Prototype vehicles
* Large stock of components
* Fully equipped Leasehold premises of approximately 10,000 sq ft in Gwent

For further information please contact the Joint Receiver:
MICHAEL G. V. RADFORD
Radford, Sons & Co., 12 Portland St
Southampton SO9 4LA

A successful and profitable
SOFTWARE HOUSE
AVAILABLE FOR SALE OR MERGER

Nationally known as a market leader in a sepcialised vertical market

*Principals only reply to:
Box G10601, Financial Times
10 Cannon St, London EC4P 4BY*

BUSINESS FOR SALE

Kitchen import and retail Company trading from three outlets in South of England
Turnover approx £900,000
Good profit record
Replies to:
Advisory & Brokerage Services Ltd
317 High Holborn
London WC1V 7NL
(Reference: RAB)

SOUTHAMPTON

Superb modern motor showrooms and garage premises in important main road position
Highly profitable and sought after main dealership. Present turnover in excess of £5m pa
Principals only
*Write Box G10607
Financial Times
10 Cannon St, London EC4P 4BY*

Hardwood Timber Importer

For Sale - Established
Sales over £2.5m
Ongoing experienced management - Profitable
*Write Box G10600, Financial Times
10 Cannon St, London EC4P 4BY*

ENGINE RECONDITIONING FACTORY

The entire contents of an engine reconditioning factory for sale. Fully equipped to recondition 5,000+ car engines per year with or without the 12,000 sq ft factory situated in *South London.*

Tel: Mr Tearle 01-467 9577

HOME ACCESSORY COMPANY

Nett profits exceed £100,000
Own manufacturer of patented products for the home improvement DIY market sold through stores, chains and DIY-outlets
*For details:
Write Box G10599, Financial Times
10 Cannon St, London EC4P 4BY*

LADIES CLOTHING MANUFACTURING BUSINESS FOR SALE

Leasehold factory situted W.1 area, fully staffed, producing superb quality structured and unstructured coats, suits and dresses. Full order book until June 1986. Owner is contemplating retiring but would act in a consulative role, servicing major accounts, if required.
Turnover in excess or £500,000.
Write Box G.10597, Financial Times, 10, Cannon Street, London EC4P 4BY.

PROFITABLE
Dental Laboratory
FOR SALE
Principals only
Value around £350,000
*Reply in confidence to:
Box G10598, Financial Times
10 Cannon St, London EC4P 4BY*

GARDEN CENTRE

FOR SALE
4 ACRE FREEHOLD SITE
Including Modern Buildings
Near Bingley, West Yorkshire
Takings average £3,300 per week
Details from: G. E. Nutter
Rigton House, East Keswick
Leeds LS17 9EJ - Tel: (0937) 72786

INSURANCE BROKERS

Operating from two provincial cities, brokerage c. £½ million. Would suit national brokers where profits of £100,000 plus could easily be obtained.
*Please reply to:
Box G10613, Financial Times
10 Cannon St, London EC4P 4BY*

SQUASH & HEALTH ESTATES—Clubs available UK-wide. (0273) 728666.

PROVENCAL FARMHOUSE, 2 miles Mediterranean. Income from letting spare weeks £10,000. Absolute gem, about £185,000. Kenneth Ball, 0273 690000 or 07918 3000.

FOR SALE
LICENSED BUSINESS TRAVEL AGENCY

Business Travel Agency seeks institutional shareholder with £1m to invest.
Ideally the investor should have at least £750,000 to £1m of their own business travel expenditure per annum.
*All enquiries in confidence to Box G10618
Financial Times, 10 Cannon Street, London EC4P 4BY*

FROZEN CAKES ÷ GATEAUX MANUFACTURER

An established frozen food distributor started this company over a year ago to supply itself with frozen cakes and gateaux. It now wants to sell this business to an interested party with experience in bakery, whilst offering an on-going contract for all of their requirements.
*Principals only to:
Box G10615, Financial Times
10 Cannon St, London EC4P 4BY*

BUSINESS FOR SALE

Kitchen import and retail Company trading from three outlets in South of England
Turnover approx £900,000
Good profit record
Replies to:
Advisory & Brokerage Services Ltd
317 High Holborn
London WG1V 7NL
(Reference: RAB)

MICROCOMPUTER RETAIL BUSINESS

Highly successful, well established computer store (1.6m turnover), 70 minutes from Central London in important City location. Excellent customer base and range of dealerships.
*Write Box G10614, Financial Times
10 Cannon St, London EC4P 4BY*

FOR SALE
Small Profitable
PAPER BAG MANUFACTURING COMPANY
In London for immediate sale. May consider sale of machinery separately.
*Write Box G10617, Financial Times
10 Cannon St, London EC4P 4BY*

HIGHLY SUCCESSFUL AIR COURIER COMPANY

Turnover
£1,000,000 p.a.
Established four years.
*Principals only to
Box G10621
Financial Times
10 Cannon Street
London EC4P 4BY*

Contracts & Tenders

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE
(Algerian Popular Democratic Republic)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHIMIQUES
(Ministry for Energy and Chemical and Petrochemical Industries)

ENTERPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Oil Exploitation Company)

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS
NUMBER: 1985.1M/DIY

The National Oil Exploitation Company is launching a National and International call for tenders for the supply of the following equipment:

MANUAL EQUIPMENT

This call for tenders is intended for Manufacturing Companies only and excludes amalgamations, representatives of companies and any other intermediaries etc., in conformity with the provisions of the Law no. 78-02 of 11 February 1978, with respect to the State Monopoly on Foreign Trade.

Tenderers interested in this call for Tenders may obtain the specifications from the following address:

Entreprise Nationale des Travaux aux Puits (E.N.T.P.)
16 ROUTE DE MEFTAH - OUED SMAR - EL-HARRACH - ALGIERS - ALGERIA
Direction des Approvisionnements (Supplies Division)

with effect from the date on which this notice is published at a charge of 400 DA.

Offers, of which five (05) copies should be prepared, must be sent in a double-sealed envelope, by registered mail, to the Secrétariat de la Direction des Approvisionnements (Secretariat, Supplies Division) at the above address.

The outer envelope should not bear any mark that might identify the tenderer or any heading, and should read:

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL No. 1985.1M/DIV — CONFIDENTIEL — A NE PAS OUVRIR" (NATIONAL AND INTERNATIONAL CALL FOR TENDERS No. 1985.1M/DIV — CONFIDENTIAL — DO NOT OPEN).

Tenders must be received by Saturday 27 April 1985 at the latest.
Selection will be made within 180 days of the closing date of this Call for Tenders.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE
(Algerian Popular Democratic Republic)

MINISTERE DE L,ENERGIE ET DES INDUSTRIES CHIMIQUES ET PETROCHEMIQUES
(Ministry for Energy and Chemical and Petrochemical Industries)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS
(National Oil Exploitation Company)

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS
NUMBER 1982.1M/DIV

The National Oil Exploitation Company is launching a National and International call for tenders for the supply of the following equipment:

HOISTING ACCESSORIES AND MAINTENANCE

This call for tenders is intended for Manufacturing Companies only and excludes amalgamations, representatives of companies and any other intermediaries etc., in conformity with the provisions of the Law no. 78-02 of 11 February 1978, with respect to the State Monopoly on Foreign Trade.

Tenderers interested in this call for Tenders may obtain the specifications from the following address:

Entreprise Nationale des Travaux aux Puits (E.N.T.P.)
16 ROUTE DE MEFTAH - OUED SMAR - EL-HARRACH - ALGIERS - ALGERIA
Direction des Approvisionnements (Supplies Division),

with effect from the date on which this notice is published at a charge of 400 DA.

Offers, of which five (05) copies should be prepared, must be sent in a double-sealed envelope, by registered mail, to the Secrétariat de la Direction des Approvisionnements (Secretariat, Supplies Division).

The outer envelope should not bear any mark that might identify the tenderer or any heading, and should read:

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL No. 1982.1M/DIV — CONFIDENTIEL — A NE PAS OUVRIR" (NATIONAL AND INTERNATIONAL CALL FOR TENDERS No. 1982.1M/DIV — CONFIDENTIAL — DO NOT OPEN).

Tenders must be received by 12 noon on Saturday 27 April 1985 at the latest.
Selection will be made within 180 days of the closing date of this Call for Tenders.

Company Notices

GESTETNER HOLDINGS PLC

Bearer shareholders are reminded that they should lodge coupon 119 and its accompanying talon with Barclays Bank PLC, Securities Services Department, 54 Lombard Street, London EC3P 3AH, for the following:—

(a) Holders of Ordinary shares for the final dividend in respect of the 52 weeks ended 3rd November 1984 of 0.82p per share (subject to approval at the company's annual general meeting on 27th March 1985) which will be paid on 3rd April 1985.

(b) Holders of Ordinary and Ordinary Capital shares for their entitlement, subject to approval at Extraordinary General Meetings on 27th March 1985, to further registered shares (for which allotment instructions should be given) in proportion of 1 new share for every 4 shares already held. Fractions of new shares will be sold for the benefit of the company.

(c) Holders of Ordinary and Ordinary Capital shares for new coupons numbered 120 to 141.

Bearer shareholders should lodge 3 clear days before 3rd April 1985.

TRUST HOUSES GROUP FINANCE N.V.
US$18,000,000 7¼% LOAN 1985
FINAL REDEMPTION

NOTICE IS HEREBY GIVEN that all the outstanding Bonds of the above Loan, amounting to US$1,000,000 nominal capital, will be redeemed at par on 15th April 1985, from which date all interest thereon will cease.

These Bonds may be presented at the offices of the paying agents (set out on the reverse of the coupon) in the manner specified in Condition 5 of the Terms and Conditions of the Loan printed on the Bonds, for repayment of the principal and for payment of interest due against Coupon No. 15 dated 15th April 1985.

Principal Paying Agent
N. M. ROTHSCHILD & SONS LIMITED
New Court,
St. Swithin's Lane,
London EC4P 4DU.
22nd March, 1985.

INTERNATIONAL DEPOSITARY RECEIPTS REPRESENTING SHARES PAR VALUE $2.50 COMMON STOCK
J. P. MORGAN & CO INC

A cash distribution of $0.55 per Depositary share will be payable on or after the 22nd April 1985 upon presentation of Coupon No. 59 at:
Morgan Guaranty Trust Company of New York
30 West Broadway
(Corporate Trust Dept. New York
35 Avenue des Arts
Brussels
Morgan House,
1 Angel Court
London
82 Frankrijklei
Antwerp
at the designated rate less applicable taxes.

This distribution is in respect of the regular quarterly dividend payable on the common shares PV $2.50 J. P. Morgan & Company Incorporated on the 15th April 1985.

Art Galleries

AGNEW GALLERY, 43 Old Bond St. W1. 629 6176. MODERN BRITISH WORKS OF ART. Until 26 April. Mon-Fri 9.30-5.30. Thurs until 6.30.

Clubs

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189 Regent St. 01-734 0557.

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Tuesday March 26 1985

Exchange rate nerves subdue metal markets, Page 40

WALL STREET

Forecast by IBM lowers the tone

A LOWER tone was set by stocks on Wall Street yesterday while in the credit markets, fund managers watched nervously for an indication of interest rate trends, *writes Terry Byland in New York.*

Technology stocks were pulled down by weakness in IBM, which warned of lower profits in the opening quarter of the year – its first quarterly downturn for three years. But the Detroit car makers held firm after pleasing the market with their mid-March sales figures.

Across the broad range of the market, selling pressure was light and a sharp dip in the number of large block trades indicated the absence of the institutions. But the malaise of the technology sector upset other blue chip stocks. The Dow Jones industrial average closed 7.51 down at 1259.94.

Market analysts predicted that this week's meeting of the Federal Reserve's Open Market Committee would hold credit policies unchanged, pending a final resolution of the problems of the thrift companies in Ohio state.

But upward pressure on credit market rates could come this week from the U.S. Treasury's $16.25bn funding programme, which opens today with the sale of $6.25bn in four year notes. Also pressing on the credit market is a modest increase to $14bn in the size of the U.S. Treasury weekly bill auction.

IBM opened steadily after the board's latest earnings review, which was more pessimistic than its last comments to Wall Street. Half an hour into the session, a block of 306,000 IBM shares traded at $125¼, sharply down on Friday's closing level. Later the stock settled at $125½, a net fall of $2¼.

Other mainframe manufacturers gave ground, led by Honeywell, which shed $1⅛ to $58⅜.

The warning from IBM increased the stock market's nervousness towards the full range of computer and semiconductor issues. The reference to the effects of the strong dollar brought a dip of $1¼ to $42½ in Data General, which takes one third of sales from outside the U.S. Digital Equipment, number two to IBM in the industry, shed $1½ to $98¼. Apple Computer, $⅜ down at $21⅞ and Wang Laboratories, $½ off at $18½, also weakened.

Mr Rahul Sud, president of Lattice Semiconductor, contrasting the widespread cutbacks by U.S. semiconductor manufacturers with the continued aggressive investment by the Japanese, said the U.S. industry was "heading for trouble."

General Dynamics eased $¾ to $72¼ in very thin trading after proposing to cut $23m from the defence contract overheads bill which has been under criticism. At $61, General Electric shed $⅛, and Crown Zellerbach, the paper industry group, $2 to $40⅝.

But General Motors added $⅝ to $74½, Chrysler $⅜ to $4½, and Ford $¼ to $42⅞, all responding to mid-March sales data indicating annualised growth of 8.4m units by the U.S. car industry.

Another firm spot was Tenneco, $1⅛ better at $41⅞ on buying demand from unidentified institutional sources.

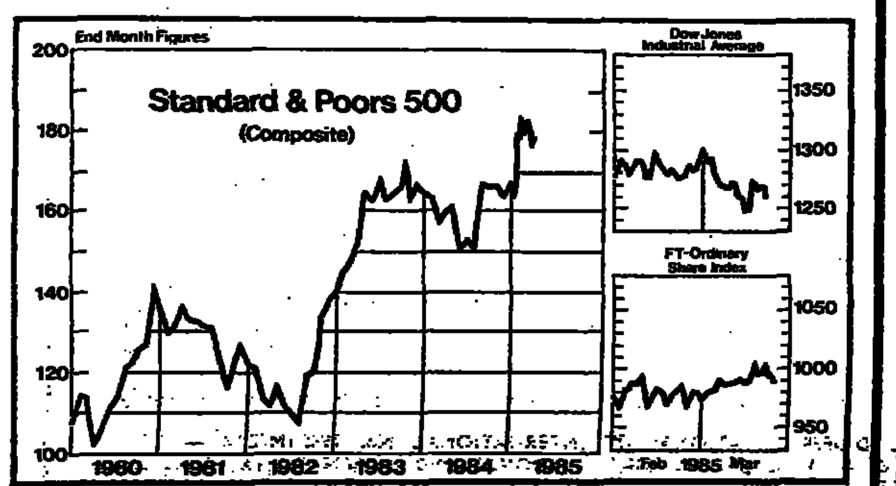
Among heavily traded stocks, G. D. Searle, the pharmaceuticals group, resumed trading at $48⅝, a fall of $8⅛, with 2m shares changing hands after the board disappointed speculators by saying the company would remain independent.

McGraw-Edison, the energy industry manufacturer, jumped $7⅞ to $63⅜ after Cooper Industries offered $65 a share for the equity, $6 above Forstmann Little's $1.3bn leveraged buyout offer.

CBS fell back $2⅞ to $105⅞ as speculators weighed the chances of any bid attempt clearing the Federal Communications Commission and reaching a successful conclusion.

The bond market opened nervously ahead of this week's three auctions of Treasury coupon securities. However, prices resisted early attempts to move them lower, and were helped by softness in federal funds rate. Treasury bill rates edged lower at mid-session pending the outcome of the day's bill auctions. The optimism spread to the bond market, where prices for the longer-dated issues added nearly ¼ point.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Mar 25	Previous	Year ago
NEW YORK			
DJ Industrials	1,259.94	1,267.45	1,154.84
DJ Transport	592.67*	594.88	503.19
DJ Utilities	149.31*	149.26	126.88
S&P Composite	178.41*	179.04	156.86
LONDON			
FT Ord	989.9	992.4	889.6
FT-SE 100	1,297.8	1,302.9	1,121.3
FT-A All-share	625.44	626.42	527.18
FT-A 500	683.66	684.43	573.42
FT Gold mines	499.7	505.4	653.1
FT-A Long gilt	10.60	10.59	10.09
TOKYO			
Nikkei-Dow	12,493.26	12,537.95	10,483.7
Tokyo SE	1,002.00	1,005.70	824.36
AUSTRALIA			
All Ord.	821.2	810.8	730.7
Metals & Mins.	510.1	498.7	510.5
AUSTRIA			
Credit Aktien	71.19	70.76	55.01
BELGIUM			
Belgian SE	2,293.6	2,308.6	–
CANADA			
Toronto			
Metals & Minls	2,056.9*	2,060.2	2,282.0
Composite	2,601.0*	2,605.5	2,365.1
Montreal			
Portfolio	129.45*	129.86	115.60
DENMARK			
Copenhagen SE	179.73	177.30	180.15
FRANCE			
CAC Gen	209.7	208.1	162.3
Ind. Tendance	114.4	114.0	85.87
WEST GERMANY			
FAZ-Aktien	415.10	421.56	351.59
Commerzbank	1,202.2	1,222.4	1,033.2
HONG KONG			
Hang Seng	1,362.23	1,360.69	1,156.95
ITALY			
Banca Comm.	279.10	278.99	221.42
NETHERLANDS			
ANP-CBS Gen	204.5	205.6	158.0
ANP-CBS Ind	166.2	166.8	127.8
NORWAY			
Oslo SE	306.24	306.37	256.20
SINGAPORE			
Straits Times	831.26	826.17	1,000.86
SOUTH AFRICA			
Golds	1,017.0	1,004.4	1,002.9
Industrials	871.3	876.2	1,105.3
SPAIN			
Madrid SE	111.32	111.28	83.71
SWEDEN			
J & P	1,409.38	1,417.6	1,544.01
SWITZERLAND			
Swiss Bank Ind	426.9	428.4	365.8
WORLD	Mar 22	Prev	Year ago
Capital Int'l	201.0	201.2	184.7

GOLD (per ounce)

	Mar 25	Prev
London	$315.75	$315.50
Zürich	$315.25	$315.75
Paris (fixing)	$315.77	$318.37
Luxembourg	$315.60	$317.00
New York (Apr)	$316.40*	$316.80

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Mar 25	U.S. DOLLAR Previous	STERLING Mar 25	STERLING Previous
$	–	–	1.1715	1.1735
DM	3.2375	3.226	3.795	3.78
Yen	256.65	255.55	300.75	299.25
FFr	9.8875	9.86	11.59	11.54
SwFr	2.741	2.7275	3.21	3.1975
Guilder	3.6565	3.64	4.32	4.27
Lira	2,061.0	2,052.5	2,410.0	2,404.50
BFr	65.05	64.8	76.2	75.95
C$	1.3825	1.3775	1.6175	1.61075

INTEREST RATES

	Mar 25	Prev
Euro-currencies (3-month offered rate)		
£	13 11/16	13 7/16
SwFr	5 7/16	5⅜
DM	6 1/16	6
FFr	11 1/16	11 1/16
FT London Interbank fixing (offered rate)		
3-month U.S.$	9 7/16	9¼
6-month U.S.$	9 11/16	9⅝
U.S. Fed Funds	8 7/16*	8½
U.S. 3-month CDs	9.00*	8.80
U.S. 3-month T-bills	8.42*	8.49

U.S BONDS

Treasury	Mar 25* Price	Mar 25* Yield	Prev Price	Prev Yield
10⅜ 1987	100 5/32	10.697	100	10.75
11⅝ 1992	99 7/32	11.775	99 3/32	11.796
11¼ 1995	96 19/32	11.844	96 13/32	11.87
11⅜ 2015	95 17/32	11.791	95 11/32	11.82
Corporate				
AT & T				
10⅜ June 1990	94.414	11.90	94.194	11.90
3⅞ July 1990	73	10.72	73	10.72
8¾ May 2000	74½	12.55	74½	12.55
Xerox				
10⅞ March 1993	91⅛	12.35	91⅛	12.35
Diamond Shamrock				
10⅞ May 1993	90⅞	12.45	90⅞	12.45
Federated Dept Stores				
10⅞ May 2013	74½	12.55	74½	12.55
Abbot Lab				
11.80 Feb 2013	93.465	12.65	93.465	12.65
Alcoa				
12¼ Dec 2012	94.01	13.05	94.01	13.05

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	68–11	68–13	68–05	68–09
U.S. Treasury Bills (IMM) $1m points of 100%				
June	90.95	90.98	90.83	90.88
Certificates of Deposit (IMM) $1m points of 100%				
June	90.17	90.17	90.01	90.08
LONDON				
Three-month Eurodollar $1m points of 100%				
June	89.66	89.67	89.62	89.70
20-year Notional Gilt £50,000 32nds of 100%				
June	105–24	105–30	105–19	105–26

COMMODITIES

(London)	Mar 25	Prev
Silver (spot fixing)	536.35p	542.00p
Copper (cash)	£1,165.50	£1,194.00
Coffee (May)	£2,312.50	£2,243.50
Oil (spot Arabian light)	$27.80	$27.80

LONDON

Trading results fail to inspire

A STREAM of company trading statements failed to inspire London investors on the opening session of the three-week Easter business account and the FT Ordinary index ended the day 2.5 lower at 989.9.

ICI found some support, up 12p at 794p, following a broker's recommendation, and Imperial put on 7p to 195p on further hopes of an announcement soon over the proposed sale of its U.S. subsidiary Howard Johnson.

Liquidity shortages in UK money markets and marginally higher interest rates inhibited trade in short-dated gilts but longer dated Government securities regained marginal early losses to end with a slightly firmer tone.

Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36-37.

AUSTRALIA

AN ENTHUSIASTIC response to BHP's third-quarter results, announced on Friday, spurred a continued advance in record territory in heavy Sydney trading. The All Ordinaries index put on 10.2 to a peak of 821.0, with much of the buying demand coming from overseas investors.

BHP put on 24 cents to A$6.08 after the sharp rise in third-quarter profits and a one-for-eight bonus issue. CSR added 12 cents to A$2.90.

Gold and metals stocks were in demand on the view that the bullion price was set to rise. Peko gained 15 cents to A$4.10, while CRA and Emperor were each 10 cents higher at A$6.14 and A$3.15 respectively.

SINGAPORE

THE MOVE by Grand United to take over Sigma Metal and an announcement that the Kuwait Investment Office had increased its stake in Cycle & Carriage, lifted market sentiment in Singapore and the Straits Times industrial index advanced 5.09 to 831.26.

Pan Electric, which will become a 22.3 per cent associate of Sigma Metal under the planned scheme, rose 4 cents to S$3.08, while Grand United added 5 cents to S$1.41.

HONG KONG

BETTER RESULTS than expected from Swire Pacific late in the day brought a revival of buying interest in Hong Kong and the Hang Seng index rose 1.54 to 1,362.23.

Swire Pacific added 30 cents to HK$21.90 but other stocks were more restrained ahead of further results from big companies later this week and early next week.

SOUTH AFRICA

GOLD shares ended mixed, but with a firmer undertone in Johannesburg as the bullion price recouped an early decline.

One of the largest gains was recorded by President Brand, R3 higher at R54. Other minings and financials were steady to firmer with Anglo American 30 cents higher at R24.10, diamond share De Beers 10 cents ahead at R9.65 and Rustenburg Platinum 20 cents firmer at R16.80.

CANADA

A LEAD was taken from Wall Street as Toronto stocks edged lower in light trading.

Canadian Commercial Bank preferred shares were halted at C$10.538 for the announcement of a Government-backed C$255m infusion to keep the Alberta-based bank afloat. However, other financial institutions were largely unaffected.

TOKYO

Attention turns to Big Four

THE BIG Four securities houses and biotechnology-related issues were selectively bought in Tokyo yesterday, but many investors stayed on the sidelines, disheartened by the uncertain outlook for Wall Street, *writes Shigeo Nishiwaki of Jiji Press.*

Institutional investors and securities companies kept a low profile with the approach of the settlement of accounts for the current fiscal year on March 31.

The Nikkei-Dow market average shed 44.69 to 12,493.26 and turnover shrank from last Friday's 302.45m shares to 247.11m. Declines led advances 444 to 308, with 168 issues unchanged.

Reflecting brisk trading in securities stocks, the Big Four were all listed among the 10 most active stocks. Nikko, the sixth busiest with 4.88m shares traded, climbed Y31 to Y842. Daiwa gained Y22 to an all-time high of Y930 and Yamaichi advanced Y20 to a record Y845. Nomura added Y20 to Y1,270.

One major securities house said the surge stemmed partly from efforts by the Big Four to push up the prices of their own stocks.

Biotechnology issues also drew buyers. Asahi Chemical topped the active list with 9.99m shares changing hands, rising Y42 to Y875. Green Cross, third with 6.91m shares, firmed Y30 to Y3,190.

Meito Sangyo gained a maximum Y200 to Y2,480 after suffering a sustained decline from its all-time record of Y8,020 on January 22. Mochida Pharmaceutical moved up a maximum Y500 to Y8,840 and Toyojozo added Y100 to Y1,600.

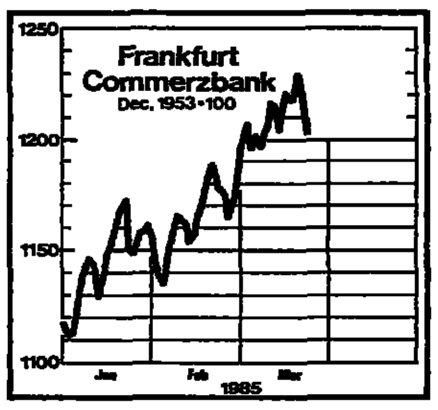
Mitsui Construction a China-related issue, registered the day's second biggest volume of 7.36m shares, rising Y31 to Y329.

Elsewhere, Sumitomo Metal Mining increased Y20 to Y1,870 on persistent interest in its gold deposit development and took the fourth place on volume of 6.09m shares traded. Nissin Electric firmed Y80 to Y1,110 and Nikkiso Y46 to Y810.

Many brokers predict a bullish market in the April to September period. They are poised to recommend electric power firms and other highly capitalised stocks as well as high-tech issues from Wednesday for April trading, according to one major securities house.

In the bond market, institutional investors and securities companies kept a low profile, awaiting the outcome of this week's U.S. quarterly mini-refunding programme and also the outcome of today's meeting of the Federal Open Market Committee.

The yield on the 7.3 per cent government bond, due in December 1993, rose slightly from last Friday's 6.730 per cent to 6.740 per cent on small-lot selling.



EUROPE

Foreigners shift focus of buying

FOREIGN INVESTORS shifted the focus of their buying in Europe yesterday, forcing German share prices to plunge from recently set highs and creating a noticeable, if less dramatic, presence in France. Bond markets in general were steady.

The consolidation that over powered **Frankfurt** cut 20.2 points off the mid-day calculation of the Commerzbank index of 1,202.2, although a late technical rally was managed near the close.

A round of corporate developments either arrived after the close or were largely ignored.

Bayerische Vereinsbank strong second-half profits, but caution on a narrowing interest rate spread, left it DM 1 weaker at DM 331.

Other banks did not get off so lightly. Deutsche Bank led the sector's decline with a DM 6.50 drop to DM 445.50, while Commerzbank ended DM 2.90 cheaper at DM 166.40 and Dresdner moved DM 4.30 lower to DM 190 ex-rights. Bayerische Hypo-Bank, also reporting higher profits, shed DM 6 to DM 345.

Support in the quality car sector evaporated with Porsche showing the way yet again with its DM 20 decline to DM 1,240 ex dividend as BMW fell DM 7.80 to DM 380.20.

Daimler-Benz retreated DM 10.50 to DM 677 amid reports that the group may seek a major stake in the Dornier aerospace group.

Thyssen shed DM 4.10 to DM 101 after Friday's declaration of resumed dividends.

Bonds eased with the Bundesbank purchasing DM 6.5m in paper compared with Friday's sales of DM 102.8m.

A calm session in **Paris** saw overseas investors buying French equities as a defence against any further weakness in the dollar, while the start of the new monthly trading account provided a technical fillip.

Among the leading gains, Alsthom-Atlantique rose FFr 14 to FFr 298, Matra finished FFr 31 stronger at FFr 1,770 and L'Oreal gained FFr 39 to FFr 2,430.

Declines numbered Skis Rossignol, FFr 55 cheaper at FFr 1,935, Moët-Hennessy FFr 10 down at FFr 1,940 and Thomson-CSF down FFr 6 to FFr 546.

A hesitant but essentially firm tone was evident in **Amsterdam** as the ANP-CBS index edged 1.1 lower to 204.5.

Internationals proved a weak spot with Royal Dutch Fl 1.40 off at Fl 196.10, Unilever down Fl 4 to Fl 342 and Philips 50 cents lower at Fl 60.80 despite its joint venture plans with Kyocera in Japan.

Fokker came off its peak with a Fl 2 fall to Fl 105, although Internatio Mueller edged closer to a 12-month high with its 90 cent rise to Fl 52.40.

Bonds remained stable.

A trendless **Zurich** saw banks little changed and the bond market quietly steady. Bank Leu firmed SwFr 10 to SwFr 3,620, with Union Bank and Swiss Bank steady at SwFr 3,715 and SwFr 380, respectively.

Among recently favoured internationals, Nestlé retreated SwFr 40 to SwFr 6,530 and Swissair slipped SwFr 5 to SwFr 1,165.

Brussels finished weaker. Cobepa, which announced sharply higher profits and a dividend increase, lost BFr 20 to BFr 3,600, while market leader Petrofina dropped BFr 220 to BFr 6,680 in active trading. Retailer Delhaize weakened BFr 200 to BFr 7,300 amid higher retail inflation figures.

Milan was easier with some banks gaining ground. Insurer Generali picked up L400 to L43,300 amid plans by Assitalia, the leading state insurer, to place up to 25 per cent of its equity through a bourse listing.

Fiat dropped L44 to L3,045 ahead of details of its plant in China, and Olivetti was pegged at L6,800. Bonds were steady.

Stockholm eased in moderate trading, while **Copenhagen** staged a broad-based rally on expectations that the Government would intervene swiftly in the general strike.

Prices at 3pm, March 25

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16⅛	AAR	.48	2.6	14	39	18¾	18⅝	18½	
21¼	9⅝	AGS			11	18	14⅝	14½	14¼	
18⅞	11	AMCA				2	11	11	11	
17⅞	13⅜	AMF	.50	3.0	37	109	16⅞	16¾	16¾	−⅛
43¼	24¼	AMR			9	1697	39½	39	39	−⅝
20⅝	18⅝	AMR	pf2.18	11.		18	20⅝	20¼	20¼	
25⅞	22⅞	ANR	pf2.67	11.		12	24	23½	24	
14¼	8½	APL			3	1	10⅛	10⅛	10⅛	−⅛
67¼	44⅝	ASA	2	3.9		328	51⅜	51	51	−1
27	16	AVX	.32	1.8	11	164	17¾	17½	17¾	
52⅝	36¾	AbtLab	1.40	2.8	15	447	50¾	50⅝	50½	−¼
25⅞	16½	AccoWds	.44	1.9	18	z7	23½	23⅝	23⅝	−⅛
22	12½	AcmeC	.40	2.7		35	14¾	14½	14¾	+½
10½	8¼	AcmeE	.32b	3.4	11	8	9⅝	9⅝	9⅝	−⅛
17⅝	15	AdaEx	2.11e	13.		81	16¾	16½	16⅝	+¼
20	11⅞	AdmMl	.32	1.9	7	15	17½	17¼	17¼	−⅛
19½	8⅝	AdvSys	.811	7.5	17	74	11	10¾	10¾	−⅛
41⅛	25⅛	AMD			13	1541	31¾	30¾	31⅜	−¼
12¾	6⅞	Advest	.12	1.2		63	10	9½	9⅝	−⅜
14⅝	6¾	Aerflex			12	99	12⅜	12⅛	12⅛	−¼
42⅝	27¼	AetnLf	2.64	6.6	38	473	40½	40⅛	40¼	
32⅛	15¾	Ahmns	1.20	3.9	18	547	31⅛	30⅞	31	−⅜
4½	2½	Aileen			21	14	2¾	2⅝	2¾	+⅛
51	38⅝	AirPrd	1.20	2.5	11	389	48½	48⅝	48½	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, March 25

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
7¼	3⅞	ADI	n		25	67	6⅛	5⅞	6	+⅛
14⅛	8¼	AL Lab	.20	1.5	12	7	13⅞	13¼	13¾	−¼
21¼	12	AMC	n .12	.6	15	21	20⅞	20½	20½	
5⅞	2⅜	AM	Intl			749	4⅛	4	4	−⅛
78¼	58	ATT	Fd5.52e	7.2		38	77¼	77	77⅛	−⅛
6	2⅛	AcmePr				1	3⅜	3⅜	3⅜	−⅛
14¼	8½	AcmeU	.32	3.4	15	7	9⅜	9⅜	9⅜	−⅛
18¼	10¾	Action			19	303	11	d	9¾	10¼
9¼	3⅞	Acton				2	4¾	4¾	4¾	+⅛
3⅝	1½	AdmRs			4	5	2¼	2⅛	2⅛	
28½	15⅞	AdRusl	.14	.5	20	26	28	27¾	27¾	+¼
24¼	15	Adobe	.28	1.5	12	140	19⅜	19⅛	19⅛	−⅛
8⅝	4½	Aeronc			6	54	7¾	7½	7½	−⅛
42¼	26½	AffPb	s		19	14	42	41¾	41¾	+⅛
9¾	6	AirExp			24	5	6⅝	6⅝	6⅝	
13¼	5⅞	ArCal			8	75	7¾	7½	7½	−⅛
10¼	8¾	ArCal	pf			110	9⅞	9⅞	9⅞	−⅛
5	2	Alamco			53	16	2¼	2⅛	2⅛	
92½	65½	Alasko	n		9	5	89¼	88¾	88⅞	−⅝
9	5⅝	Alcoba				5	6	6	6	
19	9½	Alphain	.05	.4	15	48	11¾	11¼	11½	
1	9-16	Altex				73	1⅜	1¼	1¼	
28⅛	11	AlzaCp			48	109	22⅝	22	22⅝	
18⅛	9½	Amdahl	.20	1.4	18	463	14½	14⅛	14¼	−⅜
18½	6½	Amedco	.08	1.0		470	8⅝	7½	7⅞	−⅞
34¼	12¾	AExp	wt			43	31⅜	30¼	30¼	−1⅜
9	5⅝	AFruc	A		11	z19008	8	8		
9	5⅝	AFruc	B		10	z21007½	7⅛	7⅛		−⅝
12¼	7¼	AHIthM			10	127	9⅞	9⅝	9⅝	
19⅞	12⅝	AMzeA	.52	3.3	8	3	15⅞	15¾	15¾	−¼
18½	12¾	AMzeB	.52	3.5	8	6	15	15	15	+¼
2⅞	½	AMBld			141	1¾	1⅝	1	11-16	+1-16
10	3	AmOil			14	75	4⅛	4	4	
64¾	53½	APet	3.20	5.3	15	8	60½	60½	60½	−¼
8½	6½	AmRlty			3	25	6¾	6⅝	6¾	+⅛
18½	11⅞	ARoyl	n			332	14¼	13¾	13¾	−⅜
4½	3	AScIE				20	3¾	3¾	3¾	−⅛
3½	1¾	Ampal	.06	1.8	8	133	3⅜	3¼	3¼	−¼
[illegible]										

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 32

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
30	24	ZeleCp	1.32	4.8	8	16	27⅞	27¾	27¾	−⅛
24⅞	13⅜	Zapata	.84	6.3	16	142	13½	13⅜	13⅜	−⅛
58	30	Zayre	.40b	.7	14	42	55½	55⅛	55⅛	−⅛
31¼	18⅛	ZenithE			7	732	21	20¾	20¾	−⅜
21⅞	14⅜	Zero	s		18	21	19⅝	19⅜	19½	
31⅜	21⅛	Zurnln	1.32	4.6	11	39	29	28⅞	29	+⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Mar. 25	Price Sch%	+ or −
Creditanstalt	244	+1
Goesse	421	−7
Interunfall	495	+5
Laenderbank	240	−3
Perlmooser	395	......
Steyr-Daimler	161	......
Veitscher Mag	390	+5

BELGIUM/LUXEMBOURG

March 25	Price Frs.	+ or −
B.B.L.	1,905	+10
Banq. Int. A. Lux	6,150	......
Bekaert B.	6,930	......
Ciment CBR	2,595	−5
Cockerill	274	−8
Delhaize	7,300	−200
EBES	3,100	+20
Electrobel	8,670	+20
Fabrique Nat.	2,110	−20
GB Inno BM	5,380	......
GBL (Brux)	2,075	−15
Gevaert	4,150	−55
Hoboken	5,830	+30
Intercom	2,250	−50
Kredietbank	8,450	−150
Pan Hldgs.	11,400	......
Petrofina	6,680	−220
Royale Belge	11,300	+100
Soc. Gen. Banq	3,410	−30
Soc. Gen. Belge	2,035	−10
Sofina	7,680	−40
Solvay	4,500	......
Stanwick Intl.	1,630	......
Tractionel	4,250	+50
UCB	5,370	−30
Wagon Lits	2,630	−70

DENMARK

Mar. 25	Price Knr %	+ or −
Andelsbanken	311	+25
Baltic Skand	540	+15
CopHandelsbank	279	+6
D. Sukkerfab	545	+10
Danske Bank	274	+5
De Danske Luft	1,245	......
East Asiatic	169	+2
Forenede Brygg.	900	......
Forenede Damp.	104	......
GNT Hldg	395	......
I.S.S.B.	410	+3
Jyske Bank	550	+10
Novo Ind	1,670	+55
Privatbanken	240	+7
Provinsbanken	320	+7
Smidth (F)	222	+2
Sophus Berend	1,030	+10
Superfos	484	+5

FRANCE

March 25	Price Frs.	+ or −
Emprunt 4½% 1973	1668	−24
Emprunt 7% 1973	7,160	......
Accor	278	−1
Air Liquid	635	+10
BIC	543	−4
Bongrain	1,873	+3
Bouygues	623	+4
BSN Gervais	2,335	−10
CIT-Alcatel	1,315	+6
Carrefour	1,970	......
Club Mediter'n	1,194	+12
Cie Bancaire	600	+5
Cofimeg	275.5	......
Damart	2,156	+6
Darty	1,330	+45
Dumex S.A.	586	......
Eaux (Cie Gen)	576	−3
Elf-Aquitane	240	+2.1
Essilor	3,090	+10
Gen. Occidentale	732	−2
Imetal	102	−1.3
Lafarge Coppee	458.5	+4.5
L'Oreal	2,430	+59
Legrand	2,085	−19
Maisons Phenix	228	−1
Matra S.A.	1,770	+31
Michelin B.	948	−4
Midi (Cie)	2,209	−1
Moet-Hennessy	1,940	−10
Moulinex	111.8	+0.8
Nord Est.	82	......
Penod Ricard	677	+3
Perrier	530	+3
Petroles Fra.	257.5	+1.7
Peugeot S.A.	289	+2.5
Printempt Aus	220	−2
Radiotech	269	+7
Redote	1,299	+12
Roussel-Uclaf	1,690	+45
Sefimeg	324	......
SkisRossignol	1,935	−55
Telemech Elect.	2,540	+25
Thomson CSF	546	−6
Valeo	225	......

GERMANY

Mar. 25	Price Dm.	+ or −
AEG-Telef	111.7	−2.2
Allianz Vers	1049xr	−5
BASF	203.7	−2.4
Bayer	213	−3.3
Bayer-Hypo	345	−6
Bayer-Verein	331	−1
BHF-Bank	266	+6
BMW	380.2	−7.8
Brown Boveri	213.8	−0.4
Commerzbank	166.4	−2.9
Cont'l. Gummi	136	−3.6
Daimler-Benz.	677	−10.5
Degussa	356	−1
D'sche Babcock	161	+4.5
Deutsche Bank	445.5	−6.6
Dresdner Bank	199xr	−4.3
GHH	156.6	+0.3
Hochtief	472	......
Hoechst	208.0	−0.3
Hoesch Werke	111	−1.1
Holzmann (P)	395	+1
Horten	184	−1
Hussel	296	......
Karstadt	211.5	+0.5
Kaufhof	222	......
KHD	251.5xr	−7.5
Kloeckner	74	−0.5
Linde	415	+2
Lufthansa	193	−5.5
MAN	150.5	−5.5
Mannesmann	164.5	−2
Mercedes Hld.	590	−10.5
Metallgesel	261	−7
Munech Rueck	1160	−10
Nixdorf	656	−6.5
Porsche	1249xd	−20
Preussag	274.5	−3.5
Rhein West Elect	183.5	−4
Rosenthal	245	......
Schering	455	−1.6
Siemens	534.5xd	−7.4
Thyssen	101	−4.1
Varta	183.3	−3.8
Veba	179.5	−4
V.E.W.	123	−0.5
Verein-West	318	+2
Volkswagen	201.5	−3.4

ITALY

Mar. 25	Price Lira	+ or −
Banco Com'le	17,500	......
Bastogi-IRBS	216.8	−3.5
B.I-Invest	3,445	+25
Centrale	3,600	−48
Credito Varesino	4,175	+25
Fiat	3,045	−44
Finsider	53.2	+1.2
Generali Assicur.	45,300	+400
Italcementi	83,200	−900
La Rinascenti	658.2	......
Montedisin	1,508	+12
Olivetti	6,800	......
Pirelli Co.	4,299	−1
Pirelli Spa	2,215	+25
Snia BPD	2,855	−45
Toro Assic.	14,650	−150
do Pref	10,900	−99

NETHERLANDS

Mar. 25	Price Fls	+ or −
ACF Holding	197	−1
AEGON	184	−4
Ahold	218.5	−4.5
AKZO	108.6	−2
ABN	405	−1.5
AMEV	215	−0.5
AMRO	75.4	−0.5
Bredero Cert	152	−2
Bos Kalis Westm.	20.1	+0.5
Buehrmann-Tet.	87	−0.6
Calland Hldgs.	36.4	......
Dordtsche Pet'm	176	−0.5
Elsevier-NDU	113	−2
Fokker	105	−2
Gist Brocades	182.7	−1.3
Heineken	156.9	−1.4
Hoogovens	59	−1.3
Int Mueller	52.4	+0.9
KLM	59	−1.2
Naarden	48	......
Nat Ned Cert	268.8	−1
Ned M'd Bank	173.2	+0.5
Nedlloyd	180.8	+0.3
Oce Grinten	314	−0.5
Ommeren (Van)	30.2	−0.3
Pakhoed	68.8	+0.3
Philips	60.8	−0.5
Robeco	75.7	−0.1
Rodamco	138.9	......
Rolinco	68.8	+0.1
Rorento	44.1	+0.2
Royal Dutch	196.1	−1.4
Unilever	342	−4
VMF Stork	148.5	+0.3
VNU	109	−1
West Utr Bank	103.5	......

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Mar. 25	Price Kroner	+ or −
Bergens Bank	143.5	−0.5
Borregaard	366	+2
Christiania Bank	141	−2.5
DenNorske Cred	146.5	−0.5
Elkem	139.5	+2.5
Kvaerner	162.5	+1.5
Norsk Data	398	−2
Norsk Hydro	102.5	−1
Storebrand	237	−8

SPAIN

Mar. 25	Price Pts%	+ or −
Bco Bilbao	340	......
Bco Central	313	......
Bco Exterior	206	......
Bco Hispano	158	......
Bco Popular	381	+3
Bco Santander	353	......
Dragados	175	......
Hidrola	84.7	−0.5
Iberduero	98.0	+0.3
Petroleos	161.2	+3.0
Telefonica	123.5	......

SWEDEN

Mar. 25	Price Kronor	+ or −
AGA	410	......
Alfa-Laval	187	......
ASEA (Free)	320	......
Astra (Free)	370	+10
Atlas Copco	105	−2
Cardo (Free)	251	−2
Cellulosa	118	−2
Electrolux B.	328	......
Ericsson	290	+15
Esselte	368	−5
Mo och Domsjo	230	+2
Pharmacia	210	+3
Saab Scania Free	420	......
Sandvik	400	......
Skandia	302	−9
Skan Enski'da	48	−2
SKF	206	−3
St Kopparbergs	134	−1
Sven Handlesbn.	169	+1
Swelvosh Match	217	−2
Volvo B (Free)	286	+2

SWITZERLAND

Mar. 25	Price Frs.	+ or −
Alusuisse	875	−15
Bank Leu	3,620	+10
Brown Boveri	1,660	+10
Ciba Geigy	2,950	−40
do. (Part Certs)	2,480	......
Credit Suisse	2,435	−10
Elektrowatt	2,880	+5
Fisher (Geo.)	750	......
Hoff-Roche PtCts	89,125	+250
Hoff-Roche 1/10	8,925	+25
Jacobs Suchard	6,440	+15
Jelmoli	1,970	−10
Landis & Gyr	1,725	......
Nestle	6,530	−40
Oer-Buehrle	1,455	−5
Pirelli	300	......
Sandoz (Br)	7,950	−100
Sandoz (PtCts)	1,360	......
Schindler (PtCts)	789	−6
Sika	1,080	−20
Surveillance	4,160	−90
Swissair	1,165	−5
Swiss Bank	380	......
Swiss Reinsce	9,650	+24
Swiss Volksbk	1,440	−45
Union Bank	3,715	......
Winterthur	3,740	+40
Zurich Ins	21,350	+200

AUSTRALIA

Mar. 25	Price Aust $	+ or −
ANZ Group	4.85	+0.15
Alliance Oil Dev.	1.18	−0.02
Ampol Pet	1.88	−0.02
Ashton	0.95	+0.05
Aust. Cons. Ind.	1.98	+0.05
Aust. Guarantee	2.38	−0.02
Aust. Nat. Inds	2.83	+0.03
Aust. Paper	2.48	......
Bell Group	5.7	......
Bell Res.	6.4	......
Bond Corp Hldgs	1.58	......
Boral	3.28	−0.04
Bougainville	2.10	+0.08
Brambles Inds	3.82	+0.02
Bridge Oil	2.35	−0.05
B.H. Prop	6.08	+0.24
CRA	5.14	+0.10
CSR	2.90	+0.12
CastlemaineTys.	4.80	+0.02
Coles (C.J.)	3.75	+0.05
Comalco "A"	2.65	+0.05
Consolidated Pet	0.50	+0.02
Costain Aust.	1.60	......
Dunlop Olympic	2.08	−0.01
Elders IXL	3.18	−0.02
Energ Res.	1.41	......

AUSTRALIA (continued)

Mar. 25	Price Aust. $	+ or −
Gen. Prop. Trust	2.1	......
Hardie (James)	3.05	−0.05
Hartogen Energy	2.4	+0.04
Herald W'y Times	3.98	+0.08
ICI Aust.	1.92	+0.01
Jimberlana F.P.	0.25	......
Kia Ora Gold	0.14	......
Lend Lease	5.64	......
MIM	2.9	+0.1
Mayne Nickless	3.20	......
Myer Emporium	1.78	−0.02
Nat. Aust. Bank	3.44	+0.06
News	13.7	+0.1
Nicholas Kiwi	1.95	......
North Bkn Hill	2.45	+0.07
Oakbridge	0.80	......
Pancont'l	1.4	......
Poineer Conc.	1.7	+0.08
Poseidon	3.4	+0.05
Queensland Coal	1.42	+0.01
Reckitt & Coln.	3.3	......
Repco	1.26	−0.05
Santos	6.00	+0.06
Smith (Howard)	4	+0.1
Thos. Natwide	1.84	......
Tooth	5.8	......
Vamgas	3.60	+0.05
Western Mining	3.96	+0.05
Westpac Bank	3.47	+0.13
Woodside Petrol	1.06	+0.04
Woolworths	3.13	−0.10
Wormald Intl.	3.60	−0.01

HONG KONG

Mar. 25	Price H.K.$	+ or −
Bank East Asia	22.4	......
Cheung Kong	13.6	......
China Light	14.1	......
Evergo	1.20	+0.08
Hang Seng Bank	47.6	+0.05
HK Electric	7.2	−0.05
HK Kowloon Wh.	6.3	......
HK Land	4.90	−0.05
HK Shanghai BK.	8.4	......
HK Telephone	71.5	+2.5
Hutchinson Wpa	20	−0.1
Jardine Math	9.35	+0.10
New World Dev.	6.05	−0.05
Orient O'seas	2.32	−0.05
Oseas Trust Bk	2.55	......
SHK Props	8.8	......
Shell Elect.	1.62	+0.02
Swire Pac A	21.9	+0.3
TV—B	6.00	+0.05
Wheel'k Mard A.	7.15	......
Wheel'k M'time.	1.10	......
World Int. Hldns.	1.79	−0.05

JAPAN

Mar. 25	Price Yen	+ or −
Ajisomoto	1,080	−30
Alps Electric	2,150	−50
Amada	1,260	......
Asahi Chem	875	+42
Asahi Glass	905	......
Bridgestone	540	+8
Canon	1,480	......
Casio Comp.	1,790	......
Chugai Pharm	1,040	......
Citizen	545	−5
Daiei	615	+5
Dai Nippon Ptg	1,050	......
Daiwa House	578	......
Ebara	421	−2
Eisai	1,850	−50
Fanuc	15,250	+30
Fuji Bank	1,640	−10
Fuji Film	1,830	+10
Fujisawa	1,090	+20
Fujitsu	1,370	−10
Green Cross	3,190	+30
Hasegawa	369	+8
Heiwa Real Est	570	−20
Hitachi	858	−9
Hitachi Credit	1,080	......
Honda	1,420	......
House Food	695	+7
Hoya	2,250	−10
Itoh (C)	350	−1
Ito. Yokado	2,510	−90
Iwatsu	1,090	+10
JACCS	530	......
JAL	5,780	−150
Jusco	670	−6
Kajima	275	......
Kao Soap	844	−1
Kashiyama	593	−5
Kirin	565	−3
Kokuyo	875	−7
Komatsu	478	+13
Konishiroku	680	+6
Kubota	325	−1
Kumagai	595	......
Kyoto Ceramic	6,050	−70
Maeda Const	488	......
Makino Milling	1,280	−30
Myakita	1,070	......
Marubeni	511	−2
Marudai	548	+3
Marui	1,020	−10
MEI	1,510	−20
M'ta Elec Works	800	+4
M'bishi Bank	1,600	+10
M'bishi	530	+1
M'bishi Elect	400	+2
M'b shi Estate	613	−7

JAPAN (continued)

Mar. 25	Price Yen	+ or −
MHI	266	−2
Mitsui	338	−1
Mitsui Estate	693	......
Mitsukoshi	425	......
NGK Insulators	1,020	−10
Nihon Cement	230	+2
Nippon Denso	1,470	+10
Nippon Elect	1,150	−10
Nippon Express	355	−5
Nippon Gakki	2,080	−40
Nippon Kokan	137	−2
Nippon Oil	900	−13
Nippon Seiko	670	+2
Nippon Shimpan	550	−8
Nippon Steel	153	......
Nippon Suisan	335	......
NTV	10,400	+200
Nippon Yusen	245	−3
Nissan Motor	665	+7
Nisshin Flour	465	+5
Nisshin Steel	176	+1
Nomura	1,270	+20
Olympus	1,210	−40
Orient Leasing	3,040	−50
Pioneer	2,760	−40
Renown	656	+1
Ricoh	915	−15
Sankyo	1,210	......
Sanyo Elect	482	−2
Sapporo	410	+1
Sekisui Prefab	598	......
Seven-Eleven	8,750	......
Sharp	1,050	+10
Shimadzu	810	+5
Shionogi	720	+6
Shiseido	1,070	−10
Sony	4,590	−60
Stanley	1,010	−20
S'tomo Bank	1,750	−50
S'tomo Elect	906	−9
S'tomo Marine	650	+3
S'tomo Metal	154	−1
Taihei Dengyo	506	−1
Taisei Corp.	207	−4
Taisho Pharm	1,070	−20
Takeda	850	+4
TDK	5,890	−130
Teijin	433	−2
Teikoku	639	−13
Tokyo Marine	887	−13
TBS	773	−2
Tokyo Elect Pwr	1,680	......
Tokyo Gas	175	−1
Tokyo Sanyo	721	−4
Tokyo Style	700	+2
Tokyu Corp	329	−6
Toppan Print	863	+5
Toray	448	−1
Toshiba Elect	412	......
TOTO	670	......
Toyo Seikan	890	−1
Toyota Motor	1,340	......
Victor	2,300	−60
Wacoal	711	+1
Yamaha	785	−5
Yamanouchi	3,850	−80
Yamazaki	648	+21
Yasuda Fire	482	−3
Yokogawa Bdge.	422	+2

SINGAPORE

Mar. 25	Price $	+ or −
Boustead Hldgs.	1.69	+0.03
Cold Storage	2.66	+0.01
DBS	6.25	−0.04
Genting	5.65	−0.05
Haw Par. Bros	2.43	+0.03
Hong Leong Fin.	3.05	+0.08
Inchcape Bhd.	2.48	+0.05
Keppel Shipyard	1.75	+0.01
Malay Banking	6.00	......
Malay Utd. Ind.	2.41	+0.02
Multi Purpose	0.93	−0.04
OCBC	9.4	+0.05
OUB	3.75	−0.02
Public Bank	1.62	−0.01
Sime Darby	1.98	+0.01
Singapore Press	6.15	+0.05
Straits Trdg.	4.38	−0.02
Tat Lee Bk	2.8	+0.01
UOB	4.58	......

SOUTH AFRICA

Mar. 25	Price Rand	+ or −
Abercom	1.30	+0.1
AE&CI	7.3	+0.1
Allied Tech	50	+2
Anglo Am Coal	41.75	−0.5
Anglo Am Corp	24	+0.3
Anglo Am Gold	155	−4
Barclays Bank	14	......
Barlow Rand	10.17	+0.12
Buffels	78.75	+1.75
CNA Gallo	2.3	......
Currie Finance	3.45	......
De Beers	9.70	+0.15
Driefontein	52.5	+1
FS Geduld	57.5	+8
Gold Fields SA	30.5	+0.5
Highveld Steel	3.9	−0.05
Nedbank	9.3	−0.2
OK Bazaars	13.25	......
Protea Hldgs.	1.3	......
Rembrandt	33	−0.5
Rust Plat	16.8	+0.2
Safren	13.6	......
Sage Hldgs.	6.85	+0.1
SA Brews	6.3	......
Smith (AG)	21	+0.3
Tongaat Hulet	5.9	−0.05
Unisec	4.8	+0.1

CANADA

TORONTO

Prices at 2.30pm

March 25

Columns: Sales | Stock | High | Low | Close | Chng

[illegible]

MONTREAL

Closing prices March 22

[illegible]

Total Sales 1,781,854 shares

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 33

Columns: 12 Month High | Low | Stock | Div. | Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close

[illegible]

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

Columns: Stock | Sales (Hnds) | High | Low | Last | Chng

[illegible]

LONDON

Chief price changes

(in pence unless otherwise indicated)

RISES

Amari	138	+ 8
Bolton Textile	21	+ 4
Boustead	80	+ 11
Brown (Matthew)	428	+ 13
Burnett	80	+ 10
CPU Computers	56	+ 8
Centreway Trust	80	+ 15
Cluff Oil	53	+ 5
Energy Services	67	+ 6
Gieves	78	+ 6
Hall Engineering	134	+ 12
Hillsdown	160	+ 7
IMI	116½	+ 4½
ICI	794	+ 12
Imperial Group	195	+ 7
Intl Sig & Cont	277	+ 10
NMW Computers	310	+ 17
Reardon Smith A	10	+ 3
Rock	13¾	+ 2¾
Sons of Gwalia	79	+ 5
Spring Ram	215	+ 10
UBM	149	+ 10
Wolstenholme	305xd	+ 25

FALLS

Tr 2½pc I.L. 03	£100⅝	− £⅝
A C Cars	53	− 7
Anglia TV A	131	− 7
Oliver Prosp	59	− 6
Thorn EMI	421	− 9

Continued on Page 42

LONDON STOCK EXCHANGE

MARKET REPORT

Nondescript start to three-week trading Account produces few features

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Mar 11	Mar 21	Mar 22	Apr 1
Mar 25	Apr 11	Apr 12	Apr 22
Apr 15	Apr 25	Apr 26	May 7

* "New-time" dealings may take place from 9.30 am two business days earlier.

A constant stream of company trading statements failed to inspire investors on the opening session of the three-week Easter business Account yesterday. Dealers said trade was not in sufficient volume to test markets, which basically presented a firm undertone.

Sterling remained a major talking point, but its trend against the dollar made little impact. Government stocks eased initially, but this was as much a reflection of the Chancellor's hint of a possible modest increase in public sector borrowing next year as of early indecision in the exchange rate; the latter closed lower against the U.S. dollar, but higher in trade-weighted terms.

Persisting liquidity shortages in UK money markets and marginally higher money market interest rates inhibited trade among short-dated Gilts, but longer maturities regained marginal losses to close on a slightly firmer bias. Index-linked issues remained out of favour and sustained fresh falls ranging to ⅛ following further switching to conventional stocks.

Leading shares often began a penny or so easier and most remained at the lower levels. Few features emerged, but ICI found support following publicity given to a Broker's recommendation and Imperial further responded to hopes of imminent news regarding the sale of its U.S. subsidiary, Howard Johnson.

In common with other equity indices, the FT Ordinary share index opened 3.4 down but rallied to stand 1.6 off at 3.00 pm before turning easier after-hours to close a net 2.5 lower at 989.9. Late news of the proposed merger of Fleet Holdings and United Newspapers—the terms are yet to be announced—left both stocks lower.

South African Golds were marked lower at the outset with dealers expecting selling from nervous holders following the publicity given to the continuing outbreaks of civil unrest in the Republic following the 25th anniversary of the Sharpeville riots. Little selling ensued, however, and the majority of issues closed with only marginal falls on balance.

Lloyds easier

Lloyds Bank, the clearer with the greatest exposure to Latin American debts, cheapened 5 to 545p on a report that the International Monetary Fund had cut aid to Argentina because of the latter's failure to comply with the agreed austerity package.

Video programme producer Crown International Productions staged a successful debut in the Unlisted Securities Market; the shares, placed at 60p, opened at 82p and touched 88p before closing at 85p. Among other recently-issued equities, major food manufacturer Hillsdown Holdings revived strongly to close 7 up at 160p.

Matthew Brown advanced 13 more to 428p for a hefty premium over the rejected offer terms from Scottish and Newcastle on Press suggestions that Whitbread Investment, which already holds just over 5 per cent of Brown, is set to intervene. S and N eased 1½ to 130p.

Secondary issues provided the significant movements in the Building sector. UBM figured prominently, rising 10 to 149p following a Press suggestion that the company may attract another bid from Norcros which retains a 36 per cent stake in the group following an abortive takeover attempt in August 1983. Burnett and Hallamshire, which fell sharply at the beginning of the month on news that the company was in discussions with its principle bankers about debt problems, rallied 10 to 80p. Among Timbers, John Carr (Doncaster) attracted buyers and rose 6 to 58p, while Meyer International, up 3 more at 128p, continued to reflect rumours of a sizeable stake build up. Elsewhere, the announcement of a major U.S. contract helped F. J. C. Lilley rise 3 at 71p. Dunton lost 2 to 19½p following cautious Press comment.

Recently-dull ICI moved up 12 to 794p following a broker's recommendation; U.S. selling on currency considerations was more than matched by reasonably strong UK institutional buying. Among other Chemicals, Hickson International firmed 6 to 478p following the annual results and better-than-expected dividend. On the other hand, "take profits" advice clipped 6 from Anchor Chemical, at 252p, but newsletter comment left William Canning 5 dearer at 107p; the latter's annual results are due today. Wolsternholme Rink found support in the wake of last Friday's results and rights issue proposal and gained 25 to 305p xd.

Interest in Stores was reduced to minimal levels with encouraging company trading statements failing to provide impetus. Among mail-orders, Freemans revealed sharply higher preliminary profits and attained a 1984-1985 peak of 206p before easing to settle 2 off on balance at 200p. Combined English lost the turn to 125p, the better-than-anticipated annual figures being largely discounted. Revived takeover speculation combined with weekend Press mention lifted Waring and Gillow 5½ to 158p xd, after 160p. Bolton Textile spurted 4 to 21p on fresh speculative inquiry.

Shoes and leather issues again highlighted Garnar Booth, which continued to benefit from publicity given to a broker's circular and finished 4 to the good at 224p.

Energy Services good

Energy Services provided a lively feature among secondary Electricals, rising 6 to 67p, after 69p, on takeover speculation. CPU Computers followed Friday's jump of 7 with a fresh improvement of 8 to 56p as bid hopes prevailed in the wake of the recent poor interim profits performance. Emess Lighting reflected a Press mention at 230p, up 5, and Lorlin gained the same amount to 173p following the annual results. International Signal and Control encountered revived U.S. demand and ended 10 to the good at 277p. Among the leaders, Thorn EMI, at 421p, gave up 9 of Friday's rise of 12 which had greeted details of the £100m contract to supply British Telecom with an alternative digital exchange system to System X; BT hardened a penny to 126p. GEC softened 2 to 194p as did Plessey to 196p.

Hall Engineering drew encouragement from the Board's bullish statement which accompanied the annual results and closed 12 higher at 134p. Delta, unsettled of late by suggestions that a rights issue could accompany today's preliminary statement, rallied 1½ to 133½p, while IMI, also scheduled to report full-year figures today, added 4½ at 116½p.

Leading Foods made modest progress before drifting back in the absence of follow-through support to close virtually unchanged. Rowntree Mackintosh, however, settled 5 up at 410p following Press comment highlighting bid possibilities.

Miscellaneous industrial leaders started the Easter trading Account quietly. BTR, continued its recovery after the recent fall on dollar influences and closed 8 higher at 707p xd, while Reed International put on 6 to 580p in reply to Press comment. Reckitt and Colman edged forward a couple of pence to 550p awaiting today's preliminary results.

Weekend Press comment prompted gains of 2¾ and 8 respectively in Rock, 13¾p, and Amari, 138p. Gieves also attracted buyers in the wake of newspaper mention and finished 6 to the good at 78p. TSL Thermal Syndicate put on 25 to 253p and Evered added 9 afresh to 185p. Steetley, however, cheapened 4 to 309p, reflecting mild disappointment with the preliminary results, while Turner and Newall gave up 4 more at 103p on further consideration of recent uninspiring trading news.

Pavilion Leisure reacted from an initial 45p to close unchanged on balance at 38p following the directors' warning that the recent rise in the company's share price bore no relation to its present trading position.

Jaguar remained lively and touched extremes of 320p and 313p before settling a net penny up at 315p. Reliant, 2 up for a two-day gain of 5 to 48p, continued to benefit from the impending launch of its SS1 sports car, but recent speculative high-flier A.C. Cars fell 7 to 53p following disappointing full-year results. Lucas, interim figures scheduled for Thursday, gave up 6 at 282p.

Publishers, relatively subdued throughout, provided some late excitement following tentative proposals from United Newspapers, 10 off at 310p, for a merger with Fleet Holdings, 14 lower at 273p.

P & O, due to announce preliminary results on Thursday, dipped 8 to 350p following reports that the deal with European Ferries, 2 lower at 145p, could be referred to the Monopolies Commission.

Bats attracted strong U.S. support after-hours and closed 7 dearer at 358p; the annual results are expected tomorrow. Imperial Group also staged a late rise to 195p, up 7, again on hopes of a speedy solution to the Howard Johnson situation.

Exco International rose 10 to 725p, after 738p, after announcing better-than-expected preliminary results together with a proposed two-for-one scrip issue. Baltic, on the other hand, fell 6 to 234p following disappointment with the interim statement.

Enterprise gain ground

The burst of bid speculation that boosted Tricentrol late on Friday gave way to persistent profit-taking which lowered the price to 223p at one point; however, news of an encouraging oil and gas discovery off the coast of Sicily prompted a minor recovery to leave the quotation only 2 cheaper on balance at 225p. LASMO, one of Tricentrol's partners in the Sicilian oil and gas find, hardened a few pence to 353p. Elsewhere in the leading oils, Enterprise continued to attract good support ahead of today's preliminary results and moved up 3 to a best-ever 205p.

Secondary oils were highlighted by Clyde Petroleum which advanced 5 to 91p in the wake of the increased profits and dividend.

An otherwise lacklustre session in Overseas Traders was enlivened by Boustead which attracted renewed speculative attention and closed 11 higher at 80p.

Golds easier

Sentiment in South African sectors of mining markets was again upset by the latest developments in the Cape. Traders in Gold and related issues took defensive action at the outset and marked down prices of leading stocks, in expectation of heavy sales prompted by the violent scenes given prominent publicity in the Press and on television throughout the weekend.

Following the initial markdown, however, little selling materialised. A steady performance by the rand and minor bouts of overseas buying interest held most issues relatively steady at around their opening levels and the Gold Mines index was left showing a 5.7 decline at 499.7.

Bullion moved in a narrow band throughout the day, and closed a net 25 cents up at $315.75.

Australians made significant progress, boosted by strong gains in Sydney and Melbourne overnight and Press comment outlining the attractions of "down-under" Golds. Prominent among the latter were Gold Mines of Kalgoorlie, 30 up at 410p, and Emperor Mines, 10 to the good at 190p. Sons of Gwalia improved 5 to a 1984-85 high of 79p and North Kalgurli were 3 firmer at 38p. In the leading diversified issues, gains in the region of 5 to 7 were common to CRA, 370p, MIM Holdings, 175p, and Western Mining, 238p.

Subdued trading in London equities was mirrored by Traded Options which attracted 5,743 contracts—well short of last week's daily average of 9,258. Once again, Commercial Union accounted for a substantial portion of the day's volume with 1,106 calls, 798 in the April 220's, and 406 puts transacted. Imperial Group recorded 338 calls, 263 in the May 220's.

FINANCIAL TIMES STOCK INDICES

	Mar. 25	Mar. 22	Mar. 21	Mar. 20	Mar. 19	Mar. 18	year ago
Government Secs.	80.74	80.76	80.85	80.67	80.46	80.50	83.19
Fixed Interest	84.54	84.53	84.48	84.37	84.21	84.01	86.82
Ordinary	989.9	992.4	993.1	1001.9	997.5	995.4	889.6
Gold Mines	499.7	505.4	491.2	517.7	507.0	481.7	653.1
Ord. Div. Yield	4.57	4.57	4.58	4.54	4.55	4.55	4.29
Earnings, Yld.% (full)	11.33	11.33	11.35	11.26	11.26	11.25	9.45
P/E Ratio (net) (*)	10.75	10.75	10.73	10.81	10.81	10.82	12.75
Total bargains (Est.)	27,782	25,442	27,320	25,668	25,271	26,639	30,411
Equity turnover £m.	—	414.04	460.24	409.60	334.99	327.37	344.33
Equity bargains	—	28,600	25,984	22,330	22,893	25,508	25,061
Shares traded (ml)	—	217.4	237.6	209.3	186.8	178.2	168.1

10 am 989.0. 11 am 989.2. Noon 989.5. 1 pm 989.9. 2 pm 989.9. 3 pm 990.8.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil = 10.40.

HIGHS AND LOWS / S.E. ACTIVITY INDICES

—	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (8/1/84)	74.72 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	80.43 (30/7/84)	150.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1024.5 (22/1/85)	755.3 (25/7/84)	1024.5 (22/1/85)	49.4 (26/6/40)
Gold Mines	711.7 (9/3/84)	439.5 (25/1/85)	734.7 (15/2/83)	43.5 (26/10/71)

	Mar. 22	Mar. 21
Daily Gilt Edged Bargains	165.5	166.4
Equities Bargains	185.3	168.4
Equities Value	836.9	930.3
5day Average Gilt Edged Bargains	167.3	165.0
Equities Bargains	162.0	154.2
Equities Value	786.8	785.8

NEW HIGHS AND LOWS FOR 1984/5

NEW HIGHS (94)

BRITISH FUNDS (2)
Treas. 3pc 1985 — Convrsn. 9¼pc 2001

FOREIGN BONDS (1)
Hydro-Quebec 15pc 2011

AMERICANS (1)
Crown Zellerbach

BREWERS (2)
Belhaven Brewery — Brown (Matthew)

BUILDINGS (2)
Access Satellite — Ibstock Johnsen

CHEMICALS (3)
Hickson Intl. — Wolstenholme Rink
Ransom (Wm.)

STORES (6)
Dixons Group — Liberty
Freemans — Do N-V
Gabicci — Waring & Gillow

ELECTRICALS (7)
Cray Electronics — Sutei
Emess Lighting — Telecomputing
Energy Services — VG Instruments
Penny & Giles Intl.

ENGINEERING (16)
Carclo Engineering — RHP
Chamberlin & Hill — Rotork
Clayton Son — 600 Group
Firth (G. M.) — TACE
Folkes Hefo N-V — Walker (C. & W.)
Hopkinsons — Weir
Jackson (J. & H. B.) — Williams Hldgs.
Meggitt — Yarrow

FOODS (3)
Tesco — Low (Wm.)
Do. 9pc Cnv. Ln. 2002-07

INDUSTRIALS (25)
AAH — Lamont Hldgs.
Alexandra Workwr. — Lon. & Midland Dld.
Amari — Macfarlane
BBA — Morgan Crucible
Barham — Newman Inds. 10pc Cum. Cnv. Pref.
Bodycote Intl.
Bridgend Processes — Pentland Inds.
CVD Inc. — Rock
Courtney Pope — Sale Tilney
Friedland Doggart — Spring Ram
Halma — TSL Thermal Synd.
Hartons — Valor
High-Point Services — Wilkes

LEISURE (2)
President Entrtnmts. — Television Services

NEWSPAPERS (4)
Assoc. Book Puts. — Octopus Publishing
E. Midland Allied A — Routledg Keg. Paul

PAPER (2)
Clondalkin — Valin Pollen Intl.

PROPERTY (5)
Chesterfield — Speyhawk
Gable House Prop. — Stockley
Lond. Provl. Shop

SHIPPING (1)
Ocean Transport

SHOES (1)
Garnar Booth

TEXTILES (2)
Crowther (J.) — Leeds Group

TRUSTS (5)
Caledonian Invs. — Lowland Inv.
Danae (Cap.) — Martin (R. P.)
Genl. Funds Conv.

OILS (2)
Enterprise Oil — Osceola Hydrocarbs.

MINES (2)
Sons of Gwalia — Musto Explorations

NEW LOWS (16)

BRITISH FUNDS (1)
Treas. 2½pc I.L. '13

BUILDINGS (2)
Arncliffe — Travis & Arnold

CHEMICALS (1)
Hercules Intl.

STORES (2)
Gent (S. R.) — Peters Stores

ELECTRICALS (1)
DJ Security Alarms

INDUSTRIALS (2)
Clarke (Clement) — V.W. Thermax

INSURANCE (1)
NZI Corp.

LEISURE (2)
Anglia TV A — Spectrum

PROPERTY (1)
Lond. & Manch. Sec.

TRUSTS (1)
Akroyd & Smithers

OILS (2)
Oliver Pros. Mining — Ranger Oil

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	29	32	45
Corpns. Dom. & Foreign Bonds	16	12	44
Industrials	387	262	797
Financial & Props.	111	102	334
Oils	41	19	64
Plantations	6	1	10
Mines	55	33	90
Others	66	70	90
Totals	711	531	1,474

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BAT Industries	358	+ 7
Broken Hill Prop.	363	+ 9
Double Eagle	35	− 1½
Energy Services	67	+ 6
Falcon Resources	487	+13
Fleet Holdings	273	−14
Hickson International	478	+ 6
Jaguar	315	+ 1
NMW Computers	310	+17
Rock	13¾	+ 2¾
UBM	149	+10
Wolstenholme Rink	305xd	+25

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price p	+ or −	Net Div.	Times covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price £	+ or −
[illegible]							

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price p	+ or −
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1985. H Dividend and yield based on prospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ▇ Allotment letters or fully-paid. ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. T Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. share. ‡ Comprising one 11 per cent Cnv.Uns.Ln stk. and one Warrant. Φ Figures or report awaited.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar 18	Mar 29	June 27	July 8
Apr 1	Apr 19	July 11	July 22
Apr 22	May 3	July 25	Aug 5

For rate indications see end of Share Information Service

Call options were arranged in Britoil, V. W. Thermax, Falcon Resources, Peak Holdings, Premier Oil, Solicitors Law Stationery Society, Garnar Booth, Readicut, Bristol Oil and Minerals, Berkeley and Hey Hill, Crystalate Allebone, Riley Leisure, Westland, "The Times" Veneer, W. Canning, Combined English Stores, Woodside, North Kalgurli, Ennex, Hunter Saphir, Commercial Union, Lasmo, Imperial Group and Bats. Puts were taken out in Riley Leisure, Rockware and Aitken Hume, while a double was transacted in Osceola.

FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Fri. close	Day's change
ICI	29	782	+15
Tricentrol	25	228	+10
BAT Industs.	24	351	+10
Falcon Res.	24	474	+15
Comm. Union	23	210	+ 5
Glaxo	21	£11⅞	− 0⅛
Fleet Holdings	20	287	+14
Lasmo	20	350	+10
BTR	18	705	+16
Birmid Q'lcast	18	84½	− 3½
Rockware	17	54	− 1
Burnett Halms.	16	70	+ 5
Jaguar	15	314	+ 1
Shell Trans.	15	740	+ 2

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon March 25 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Fri March 22 Index No.	Thur March 21 Index No.	Wed March 20 Index No.	Tues March 19 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (206)	553.57	—	9.94	3.93	12.61	553.61	555.73	558.90	558.40	531.44
2	Building Materials (23)	504.94	+0.4	12.68	4.97	9.76	502.96	506.15	510.03	505.12	525.77
3	Contracting, Construction (30)	701.03	+0.3	13.10	5.65	9.81	698.68	696.59	699.49	695.61	766.10
4	Electricals (15)	1549.15	+0.8	10.09	4.03	12.66	1536.82	1547.31	1561.41	1515.97	1727.12
5	Electronics (36)	1716.68	−0.5	8.73	2.96	14.81	1726.01	1738.23	1737.42	1732.48	1833.77
6	Mechanical Engineering (60)	302.01	+0.5	11.15	4.28	10.72	300.48	303.61	303.07	303.36	249.17
8	Metals and Metal Forming (8)	198.42	+1.7	11.39	6.54	10.85	195.11	196.08	197.39	196.13	205.62
9	Motors (18)	166.38	−0.9	11.35	4.81	11.41	167.95	168.23	172.19	174.01	144.99
10	Other Industrial Materials (16)	958.07	+0.1	6.95	3.18	17.52	957.20	948.19	965.40	978.34	701.24
21	CONSUMER GROUP (181)	643.74	+0.3	9.07	3.76	13.35	641.93	643.40	647.65	647.16	528.70
22	Brewers and Distillers (23)	570.76	−0.3	11.85	4.70	10.46	572.42	575.94	579.77	581.35	523.34
25	Food Manufacturing (21)	506.85	+0.3	11.54	4.75	10.79	505.27	510.06	511.08	508.95	403.12
26	Food Retailing (13)	1484.76	+0.1	6.45	2.46	20.67	1483.08	1492.80	1481.75	1465.58	1215.92
27	Health and Household Products (9)	1028.74	+0.8	5.61	2.59	20.88	1020.49	1026.74	1031.65	1020.82	809.02
29	Leisure (22)	680.71	−0.9	8.35	4.83	15.70	686.90	686.73	687.60	682.01	699.59
32	Newspapers, Publishing (12)	1732.53	−0.6	6.75	4.34	19.19	1742.99	1726.13	1733.79	1713.13	1310.09
33	Packaging and Paper (14)	322.29	+0.8	11.44	4.49	10.87	319.81	322.02	324.55	327.60	243.55
34	Stores (45)	591.04	−0.1	6.92	3.22	17.52	591.64	592.70	597.23	597.71	493.69
35	Textiles (19)	327.05	−0.3	12.55	4.39	9.20	327.93	331.01	333.49	337.92	298.17
36	Tobaccos (3)	934.91	+2.2	13.44	4.18	8.32	915.21	897.94	925.86	940.15	587.74
41	OTHER GROUPS (96)	682.16	+0.3	8.86	3.95	14.21	680.37	680.44	681.56	684.09	466.08
42	Chemicals (17)	780.90	+1.0	13.25	4.67	9.37	773.29	765.27	770.62	773.37	634.46
44	Office Equipment (4)	184.01	+0.3	7.19	4.54	17.23	183.54	184.23	184.56	184.38	148.94
45	Shipping and Transport (12)	1147.48	−0.7	6.55	4.38	19.33	1156.06	1161.29	1151.66	1148.10	904.89
46	Miscellaneous (61)	848.07	−0.3	7.23	3.27	16.84	850.21	859.22	861.20	865.94	630.53
48	Telephone Networks (2)	822.58	+0.4	8.14	3.91	16.03	819.37	817.37	817.37	820.57	0.0
49	INDUSTRIAL GROUP (483)	638.92	+0.2	9.24	3.85	13.37	637.63	638.97	642.20	642.45	525.53
51	Oils (17)	1173.04	−2.1	15.50	7.06	7.81	1197.80	1196.37	1201.56	1182.23	1097.61
59	500 SHARE INDEX (500)	683.66	−0.1	10.09	4.29	12.19	684.43	685.55	688.94	687.66	573.42
61	FINANCIAL GROUP (114)	[illegible]	[illegible]	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Insurance (Life) (8)	[illegible]	[illegible]	—	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (7)	340.38	−2.0	—	5.57	—	347.37	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance (Brokers) (6)	1199.66	−0.6	7.19	3.29	18.40	1207.25	1215.35	1228.39	1236.18	729.81
68	Merchant Banks (12)	231.98	−0.2	—	4.63	—	232.37	234.32	235.49	237.16	249.23
69	Property (50)	644.23	—	5.49	3.51	24.11	643.85	645.40	646.82	647.76	578.36
70	Other Financial (25)	293.94	+0.1	8.98	5.37	13.59	293.68	291.85	292.04	291.26	272.59
71	Investment Trusts (106)	611.94	—	—	3.24	—	612.07	620.59	623.40	627.91	521.74
81	Mining Finance (4)	300.92	—	9.54	5.06	13.36	300.84	302.55	302.82	298.83	327.62
91	Overseas Traders (14)	663.67	+0.1	9.48	6.28	13.09	663.13	665.64	665.92	664.63	591.31
99	ALL-SHARE INDEX (738)	625.44	−0.2	—	4.35	—	626.42	627.81	629.72	628.88	527.18
		Index No.	Day's Change	Day's High	Day's Low						
	FT-SE 100 SHARE INDEX	1297.8	−5.1	1298.0	1296.1	—	1302.9	1300.7	1307.2	1304.5	1121.3

FIXED INTEREST

	PRICE INDICES	Mon March 25	Day's change %	Fri March 22	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	116.37	−0.02	116.65	0.26	2.60
2	5-15 years	127.78	+0.08	127.77	0.09	3.03
3	Over 15 years	134.94	+0.02	134.92	—	2.03
4	Irredeemables	146.99	—	146.99	—	1.62
5	All stocks	126.63	+0.03	126.73	0.15	2.75
6	Debentures & Loans	108.70	+0.18	109.24	0.73	2.39
7	Preference	76.81	−0.09	77.20	0.32	2.15
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	118.49	−0.21	118.71	—	0.78

	AVERAGE GROSS REDEMPTION YIELDS		Mon March 25	Fri March 22	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	10.87	10.86	9.92
2		15 years	10.70	10.71	10.04
3		25 years	10.26	10.26	9.67
4	Medium Coupons	5 years	11.77	11.77	10.53
5		15 years	11.05	11.06	10.50
6		25 years	10.49	10.48	9.97
7	High Coupons	5 years	11.83	11.82	10.65
8		15 years	11.21	11.22	10.64
9		25 years	10.60	10.59	10.06
10	Irredeemables†		10.11	10.11	9.62
11	Debs & Loans	5 years	12.27	12.05	11.47
12		15 years	11.78	11.74	11.41
13		25 years	11.70	11.62	11.41
14	Preference†		12.78	12.78	12.75
15	Inflation rate	5%	3.34	3.32	3.36
16		10%	3.15	3.14	3.17

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
[illegible]								

TOTAL VOLUME IN CONTRACTS: 18,863

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls Jly.	Calls Oct.	Puts Apr.	Puts Jly.	Puts Oct.
B.P. (*546)	460	95	103	115	1½	5	10
	500	52	68	80	6	12	20
	550	16	28	47	25	30	40
	600	5	17	29	65	67	73
Cons. Gold (*519)	460	67	77	87	2½	8	16
[illegible]							

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Imperial Gp. (*194)	160	38	44	—	2	5	—
	180	22	29	33	6	9	11
	200	15	20½	24	18	20	24
	220	5	10	14	31	35	38
LASMO (*353)	300	63	67	—	4	7	—
	330	42	52	60	10	13	20
[illegible]							

Mar. 25. Total contracts 5,743 Calls 3,976. Puts 1,767
* Underlying security price.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Cont.

[illegible]

CANADIANS

[illegible]

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BEERS, WINES—Cont.

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY & STORES—Cont.

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1984-85 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
104	65	Marley	88	+1	3.75	q2.2	6.1	9.9
86	40	Marling Ind. 10p	85	.....	†03.0	3.6	2.2	10.0
46	29	Marshall L'ey. 'A'	41	.....	†1.2	3.6	4.2	(7.3)
77	37	Marshall's Universal	69	.....	2.0	◆	4.2	◆
89	77	Do. 7¼pcCnRedPf £1	82	.....	7¼%	—	13.1	—
30	20	Martin-Black	228	.....	—	—	—	—
£108	£81	Matheson 7¼%	£90	.....	07¼%	2.3	11.0	—
498	287	Metal Box £1	422	.....	†15.0	3.2	5.1	6.8
220	129	Metal Closures	163	−1	6.3	2.3	5.5	(9.0)
27	9	Metal Sciences 2½p	13	.....	—	—	—	—
133	73	Midland Marts	85	−3	4.0	1.8	6.7	10.8
84½	45	Mitchell Cotts	70xd	+1½	4.0	1.5	8.3	9.9
225	132	Morgan Crucible	225	+5	†7.5	1.2	4.8	(22.7)
*36	22	Morris (W) F.A. 20p	27	+1	g0.5	◆	2.6	◆
110	80	Moss (Robt.) 10p	98	.....	†2.5	2.3	3.6	14.2
330	197	MMW Computers	318	+17	6.0	3.0	2.8	17.3
65	35	Nash Inds.	35	−2	2.5	1.5	10.2	8.1
48	30	Neil & Spencer 10p	37	.....	◆	—	—	11.1
33	13	Newman Industries	31	−1	—	—	—	◆
32½	16½	Do. 10pc Cnv.Cnv.Pf	32½	+2½	10%	—	4.4	—
67	39	Nolton	55	.....	g1.1	4.5	2.9	9.2
183	132	Norcros	166	.....	†7.5	2.4	6.5	8.8
86	53	Nu-Swift 5p	56	+1	†2.4	3.2	6.1	7.3
100	50	Oakwood Grp.	93	.....	†2.4	3.2	6.1	7.3
190	135	Office & Elect	165	.....	d4.5	1.4	6.9	(13.7)
108	88	Oldacre 20p	88	.....	7.5	4.2	6.5	7.6
925	625	Oriflame Intl SA	925xd	+29½	46.8	◆	7.2	◆
46	15	Overstone 12½c	17	.....	†04.5c	2.2	‡	3.9
£175	£120	Ozalid 9pc Cnv 87-92	£175	.....	09%	—	5.2	—
190	105	PCT Grp 10p	135	.....	g4.8	2.9	5.0	8.3
£14	975	PLM 'B' Sk 25	£13½	.....	021.6%	◆	4.1	◆
199	149	PSM Intl	179	.....	bg6.25	2.6	4.2	13.1
62	40	Pacific Sales 10p	50xd	−1	†2.4	2.2	6.9	(7.6)
207	148	Parker Knoll 'A'	181xd	+1	9.0	2.8	7.1	7.1
375	197	Pauls	363	.....	‡F13.0	2.5	5.1	15.9
714	403	Pearson	708	.....	†14.0	3.0	2.8	14.1
35	18	Peek Holdings	26	.....	—	—	—	—

LEISURE—Continued

1984-85 High	Low	Stock	Price
288	182	LWT	245
75	42	Leisuretime Int 10p	67
162	98	Mngmt. Ag. M. 10p	162
184	118	Media Tech Int 20p	157
200	76	Medminster 10p	197
240	138	Miss World 10p	230
26	15	Nationwide Leis.	24
46	9	Nursdo Int 20c	25
31½	14½	Owners Abroad	20
66	33	Photax (Lon.)	42
29½	20	P'dilly Radio NV 5p	23
130	55	Pineapple Dnc St 10p	65
458	285	Pleasurama 5p	456
87	75	Pres Entertain 50p	87
158	28	Radio City 'A' NV	30
70	45	Radio Clyde N/V	45
148	30	Riley Leisure 10p	56
195	94	Saga Hols. 20p	193
£10½	111	Samuelson Grp £1	950
39	18	Sangers Photo 10p	38
202	138	Scanro 50p	200
190	98	Scott. TV 'A' 10p	150
508	186	SeaCo Inc $0.125	393
35	9	SelecTV 10p	12
145	103	Spectrum 5p	103
37	24	TSW 5p	28
157	79	TVS N/Vtg 10p	123
225	102½	Television Svcs 50p	225
90	60	Tottenham Hotspur	76
260	120	Trid'nt TV 'A' 10p	250
173	100	21st Century Dist	127
197	135	Tyne Tees TV 'A' £1	145
101	53½	Ulster TV N/V 'A'	85
28	17	Webb (Jos.) 5p	21
26½	20½	Williams (Rex) 5p	24
110	88	Zetters 5p	105

MINES—Continued

Miscellaneous

1984-85 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
75	31	Anglo Utd. Dev.	43	+1	—	—	—
410	155	Centenaial Min's.	205	.....	—	—	—
175	70	Colby Res Corp	110	.....	—	—	—
955	450	Cons. Murch. 10c	450	.....	†Q100c	1.4	10.8
40	25	Emex Ixt. Ir10p	35	−1	—	—	—
252	150	Hampton Areas 10p	197	−3	3.75	2.1	2.6
260	140	Highwood Res.	220	+5	—	—	—
£24½	£16	Homestake Mining $1	£21¼	.....	Q20c	—	0.8
295	135	McFinley Red Lake	272	+1	—	—	—
275	101	Musto Explorations	275	+15	—	—	—
55	23	New Sabina Res C$1	38	+4	—	—	—
365	220	Northgate C$1	315	+20	—	—	—
718	500	RTZ	660	.....	†18.0	2.7	3.9
£155½	£113½	Do. 9½pcLn '95-2000	£144	+½	Q9½%	35.4	6.7
£13⅛	850	Tara Expln $1	£11⅞	+⅛	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ◆ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ✤ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ◆ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- ‡ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	104	+6	Arnott	179	+3
Craig & Rose £1	£10	.....	CPI Hldgs	57	.....
Finlay Pkg. 5p	58	.....	Carrol Inds.	111	.....
Higsons Brew	118	.....	Dublin Gas	60	.....
Holt (Jos) 25p	800	.....	Hall (R. & H.)	48	.....
IoM Stm. £1	238	−2	Helton Hldgs.	16½	.....
IRISH			Irish Ropes	39	−2
Exch. 12% 1985	£99½	.....	Jacob (W.& R.)	65	−2
Nat. 9¾% 84/89	£85⅝	.....	TMG	115	.....
Fin. 13% 97/02	£93⅝	.....	Unidare	84	.....

OPTIONS — 3-month call rates

Industrials	p		p		p
Allied-Lyons	16	GKN	17	Turner Newall	18
BAT	32	Hanson Tst.	17½	Unilever	85
BOC Grp.	25	Hawker Sidd	38	Vickers	19
BSR	16	Hse of Fraser	38	**Property**	
BTR	52	ICI	60	Brit Land	12
Babcock	14	'Imps'	18	Cap Counties	18
Barclays	48	Jaguar	28	Land Secs	25
Beecham	32	Ladbroke	24	MEPC	28
Blue Circle	45	Legal & Gen	50	Peachey	22
Boots	15	Lex Service	28	Samuel Props	14
Bowaters	20	Lloyds Bank	45	**Oils**	
Brit Aerospace	33	Lucas Inds	25	Brit. Oil & Min	4
Brit. Telecom	11	Marks & Spcr	11	Brit Petroleum	42
Brown (J.)	3	Midland Bk	30	Burmah Oil	18
Burton Ord	39	NEI	8	Charterhall	6
Cadburys	14	Nat West Bk	60	Premier	5
Comm Union	19	P & O Dfd	36	Shell	60
Courtaulds	12½	Plessey	17	Tricentrol	18
Debenhams	17½	Polly Peck	26	Ultramar	19
Distillers	28	Racal Elect	18	**Mines**	
Dunlop	6	RHM	11	Charter Cons	18
FNFC	8½	Rank Org Ord	32	Cons Gold	44
Gen Accident	45	Reed Intnl	50	Lonrho	14
Gen Electric	17	Sears	8	Rio T Zinc	56
Glaxo	85	TI	20		
Grand Met	25	Tesco	20		
GUS 'A'	60	Thorn EMI	35		
Guardian	60	Trust Houses	13		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 39

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £800 per annum for each security.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

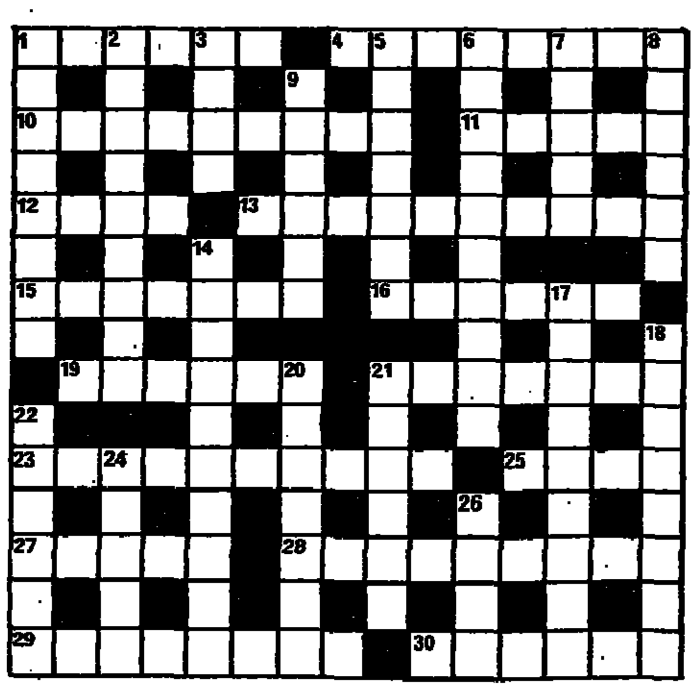
Britannia Vineyard 01-675 6666

UK Specialist Funds

Growth Gilt Trust	51.1	51.9xd	.....	0.74
Recovery	78.7	83.9	+0.2	2.82
Smaller Cos	111.5	118.9xd	+0.2	1.28
Spec. Mkt. Sits.	76.1	81.2	+0.8	1.29
UK Growth (Domestic)	31.7	33.8	.....	3.12
High Income Funds				
Extra Inc.	50.3	53.6	.....	7.98
Gilt	25.5	26.8	.....	9.85
Inc & Growth	152.8	163.0	−0.2	4.66
Max. High Inc.	142.8	152.3xd	−0.3	6.12
Pref. Shares	17.1	18.2xd	.....	11.35

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,678



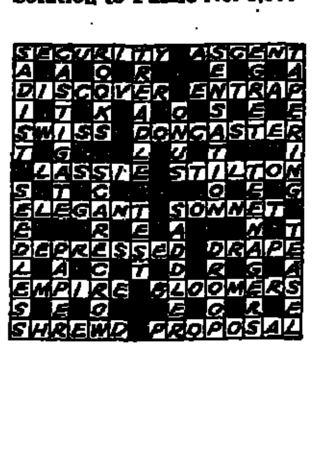
ACROSS

1 I, French girl, naive (6)
4 Climbed on, lost student, sloped off! (8)
10 We hear the vehicle you let for hire is difficult (9)
11 Account with 12 for trial performances (5)
12 They migrate (see 11) (4)
13 Branch of maths lies here? (10)
15 Oxen to yoke initially in a way accented finally (7)
16 H.R.H. at English get-together by fireside (6)
19 For the time being sort of memory in Mrs T? (3, 3)
21 Kind of club—a state (7)
23 Disposition of string of pearls—Poles in sympathy (10)
25 Animal to carry burden? (4)
27 Female bird hidden in tree venue (5)
28 What's being well-protected —lad or mail order? (9)
29 What bird can do in drag its plumage could be (8)
30 Some would err, I suppose, in plant (6)

DOWN

1 Flier is not in trouble? Go overboard! (8)
2 Day abroad, never round beginning of year, for him? (9)
3 When abroad we show commonsense (4)
5 and 21. Saver of one over the eight (1, 6, 2, 4)
6 Could be bracelets or music-makers (5, 5)
7 Half salad ingredients I will get out from the centre (5)
8 Don't like tested variety (6)
9 and 20. Receive wire. Understand? (3, 3, 7)
14 Top of container. Could make jam (10)
17 A 2 (9)
18 Bars prams—too unwieldy (8)
20 See 9
21 See 5
22 Wears favour at athletic meeting? (6)
24 Fat bees flying around below zero (5)
26 Cutter contributes additionally in sound (4)

Solution to Puzzle No. 5,677



INSURANCE, OVERSEAS & MONEY FUNDS

Save & Prosper Group
28, Western Rd, Romford RM1 3LB. 0708-66966

Global Equity Fund (z)	95.3	100.9	+0.8	–
Bal Inv Fd	301.7	319.3	+1.5	–
Property Fd	299.3	316.8	+0.9	–
Gilt Fd	230.0	244.8	–0.1	–
Deposit Fd z	198.1	209.7		–
Man Pens Fd	65.3	69.2	–0.4	–
Equity Pens Fd	67.4	71.4		–
Prop Pens Fd	56.5	59.8		–
A. G. Bond Fund (z)	73.8	78.1	–0.6	–
Dep Pen Fd z	53.6	56.8		–
Gilt Pens Fd	52.8	55.9	–0.1	–
Global Eq Pens Fd	74.5	78.9		–

§Weekly dealings.

Schroder Life Assurance Ltd.
Enterprise House, Portsmouth. 0705 827733

Equity	583.7	614.4	–2.8	–
Fixed Interest	258.3	271.8		–
Managed	308.3	324.5	–1.0	–
Deposit	187.2	197.0	+0.1	–
Overseas	194.9	205.1	–0.4	–
Property	285.1	300.1	+0.1	–
American	196.8	207.1	–1.0	–
Australian	116.8	122.9	+1.6	–
European	189.0	198.9	–1.9	–
Gilt & Fxd Int	140.1	147.4		–
Income Accum	261.7	275.4	–1.4	–
Income Distrib	204.0	214.7	–1.1	–
International	190.0	200.0	–0.1	–
Japan Smllr Co's	114.7	120.7	–0.4	–
Singapore & Malay	139.6	146.9	–3.2	–
Smaller Co's	255.5	268.9	–1.7	–
Tokyo	218.8	230.3	+0.3	–
U.K. Equity	240.0	252.6	–1.2	–
GEM Vanguard Mngd	262.3	276.1	+0.6	–
Equity Pension	347.8	366.1	–7.2	–
Fxd Int Pension	211.6	222.7	+0.1	–
Guaranteed Pens	118.9	125.1	+0.1	–
Index-Linked Pens	102.1	107.4		–

[illegible]

Target Life Assurance Co. Ltd.
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

Managed	314.5	331.1	–0.1	–
Property	239.9	252.6		–
Fixed Int	150.6	158.6	–0.4	–
UK Equity	316.5	333.4	+1.4	–
Int Equity	225.8	240.6	+0.3	–
Deposit	141.3	148.8	+0.1	–
Managed Property	122.4	128.9	+0.2	–
American Eagle	107.0	112.7	+0.6	–
Technology	85.5	90.0	–0.8	–
U.S. Special Bond	127.0	133.7	–0.3	–
Pacific	110.1	115.9	+0.1	–
Australian	112.9	118.9	+0.3	–
Japan	160.8	169.3	–0.2	–
Malaysia & S'pore	115.4	121.5	+2.7	–
Commodity	122.6	129.1	+1.3	–
Energy	82.2	86.6	–0.4	–
Gold	116.6	122.8	–0.3	–
Financial	145.8	153.5	+0.3	–
Income	156.8	165.1	–0.4	–
Special Situations	184.3	194.1	+0.6	–
Preference	108.3	114.0		–
Managed Currency	78.3	82.5	–0.1	–
European		–		–
Sterling	10.1	–		7.5
Pension Funds				
Managed Pension	835.9	879.9	+0.4	–
Gilt Pens	288.8	304.0	–0.2	–
Property Pens	336.2	353.9	+1.0	–
Equity Pens	358.9	377.8	–2.8	–
Index-L Plan	111.9	117.8		–
Guar Pen	213.4	224.7	+0.2	–
Leicester Retirement	111.3	117.2		–

Prices quoted are for Accumulation units.

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$11.78	–	–0.01	–

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com. Fund	12.8	13.4	.....	3.10
Chinese Fund	58.2	60.6	.....	1.70
Precious Metal Fund	67.3	70.1	.....	8.30
Vanguard Cmdy. Fd.	19.3	19.8	.....	0.00
Financial Futures Fd.	32.1	33.5	.....	–

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Gwth Fd	$8.79	–	+0.09	–

Money Market Trust Funds

	Nom	CAR	Int Cr	Notice
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	14.28	14.93	6-mth	Call
7-day Fnd	14.28	14.93	6-mth	7-day
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	14.50	15.00	6-mth	Call
7-day Fund	14.59	15.12	6-mth	7-day
Dollar	7.37	7.50	6-mth	2-day
Money Mngt. Acc.	14.00	14.75	3-mth	Call

Money Market Bank Accounts

	Nom	CAR	Int Cr	Notice
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	13.75	14.48	Qtr	Call
Mth. Int. Chq.	13.50	14.37	Mthl	Call
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Cheque Acc	12.60	13.35	Mthl	Call
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	13.50	14.19	Qtr	Call
Britannia Grp of Investment Companies 29 Finsbury Circus, EC2M 5QL. 01-558 2777				
Cater Allen	13.25	14.09	Mthl	Call
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	13.25	14.085	Mthl	Call
U.S. Dollar	8.0	8.330	Mthl	Call
German Marks	5.0	5.115	Mthl	Call
Swiss francs	2.0	2.018	Mthl	Call
Japanese Yen	5.0	5.115	Mthl	Call
Co-operative Bank 78-80 Cornhill EC3 01-626 6543 Ex 464				
Under £1,000	12.00	12.55	Qtr	Call
Over £1,000	14.00	14.75	Qtr	Call
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc	13.50	14.20	Qtr	Call
Henderson/Bank of Scotland 38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	12.60	13.35	Mthl	Call
Lombard North Central PLC 17 Bruton St, W1A 3DH. 01-409 3434				
14-Day Notice	13.25	13.68	Rand	14-day
M & G/Kleinwort Benson 91-99 New London Rd, Chelmsford. 0245 51651				
High Int Cheque Acc.	13.50	14.40	Daily	Call
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 8738				
High Int Chq	13.38	14.06	Qtr	Call
Provincial Trust (formerly Choulartons) 30 Ashley Rd, Altrincham, Cheshire, WA1 2DW 061-928 9011				
Cheque Acc	14.00	14.93	Mthl	Call
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB 0708 66966				
High Int. Bk. Acc.	13.36	14.30	Daily	Call
Premier Acc.	13.36	14.30	Daily	Call
Tyndall & Co 29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241				
Demand Acc.	14.00	14.74	Qtr	Call
Money Acc.	13.75	14.47	Qtr	Chq/7
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc.	14.00	14.93	Mthl	Call
Over £10,000	14.25	15.22	Mthl	Call

Notes: CAR = compounded annual rate. Int Cr = frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ◊ Yield column shows annualised rates of NAV increase

COMMODITIES AND AGRICULTURE

Producers to back rubber pact extension

By Our Commodities Staff

PRODUCING COUNTRIES will back moves for a year's extension of the International Natural Rubber Agreement at negotiations to be held in Geneva next month.

However, they will also push for a rise in the "floor" price, guaranteed by the agreement, from its present level of 150 Malaysian/Singapore cents a kilo to 210 cents.

That was decided at a special meeting of the Association of Natural Rubber Producing Countries held in Phuket, Thailand, last week.

The existing natural rubber agreement, between consuming and producing countries, is due to expire in October this year, but it can be extended for up to a maximum of two years.

The producers, who were seeking to agree a common stance for the Geneva negotiations starting on April 22 agreed to reply to a U.S. questionniare seeking details of their production and supply policies.

Tea prices fall at weekly London auction

TEA PRICES declined again at the London weekly auction yesterday. There was no quality tea quotations, but the average indicator prices for medium quality grades fell to 224p a kilo against 235p a week ago and low medium by 10p to 178p.

The London Tea Brokers Association reported that there 44,498 packages on offer yesterday including 6,710 in the offshore section.

Assams again met a selective inquiry and shed 10p to 15p with a number of withdrawals. Bangladesh teas were 14p to 18p lower with some withdrawals, particularly where leaf appearance was disappointing.

Brighter Africans sold readily at firm to dearer levels

Currency nervousness subdues metal market

BY JOHN EDWARDS, COMMODITIES EDITOR

LONDON METAL markets were subdued yesterday, overshadowed by nervousness about currency rate fluctuations. The changes in the dollar/sterling rate continued to be by far the most dominant influence dissuading traders from committing themselves.

The fall in copper stocks held in the London Metal Exchange warehouses last week was smaller than expected by the market and helped to depress prices, but trading activity was at a low ebb and there was little response to reports of a further earthquake in Chile.

Zinc was buoyed by the fall in warehouse stocks, although the scarcity of immediately available supplies, which has maintained the cash price premium over the three months quotation, is expected to ease after the Easter holiday.

Meanwhile, the move by U.S. zinc producers to increase their domestic selling prices by 2 cents to 47 cents a lb for a high-grade zinc is expected to put pressure on for another rise in the European zinc producer quotation from its present level of $925 a tonne.

LONDON METAL EXCHANGE WAREHOUSE STOCKS
(Changes during week ending Mar. 22)

	(tonnes)
Aluminium	−1,450 to 119,000
Copper	−1,475 to 93,175
Lead	−275 to 51,475
Nickel	+186 to 5,706
Tin	−85 to 21,000
Zinc	−1,275 to 33,275
	(ounces)
Silver	+38,000 to 54,078,000

Jim Jones in Johannesburg writes: BCL, the nickel and copper mine operating subsidiary of Botswana RST (Botrest), has switched its refinery contract to Falconbridge away from Amax.

Final details of the new contract have still to be determined but the company says the deal is an improvement on the existing agreement with Amax and that it will substantially improve BCL's ability to service its debt.

At present BCL's annual 42,000 tonnes of copper-nickel matte, which typically contains 38 per cent nickel and 41 per cent copper, is refined at Amax's Port Nickel refinery in Louisiana.

This year 6,500 tonnes are to be sent to Falconbridge's Kristiansand refinery in Norway. Annual deliveries to Kristiansand will rise to 21,000 tonnes in 1986 and to 42,000 tonnes in 1987 where they will remain until the contract expires in 1999.

BCL has suffered constant losses and has only been kept afloat by capital injections from Anglo American Corporation and Amax, its controlling shareholders, and borrowings which have been guaranteed by the two shareholders.

The company's debt burden is being restructured as part of a reorganisation plan agreed by creditors in 1982.

Botswana is among the world's most important diamond producing nations and is a crucial factor in the control of the world diamond market exercised by De Beers, Anglo's associate company.

Surplus drives potato futures below £40

BY ANDREW GOWERS

PRICES ON the London potato futures market dropped below £40 a tonne yesterday for the first time this season, with surplus supplies from the 1984 crop continuing to exert downward pressure.

In relatively thin trading, the April contract hit a low of £39 a tonne, compared with its opening level of £40.30 and the previous close at £40.50. By the close, however, the price had rebounded to £39.90. Meanwhile, the May contract held steady at £46.80 a tonne.

Dealers explained the widening gap between the April and May prices by saying that the market appeared to be expecting heavy tender sales next month. Some felt, however, that the slide in the April contract may eventually prove to have been overdone, and that growers may be deterred from tendering by the heavy costs involved.

The latest fall came despite a sharp drop in potato stocks last month. According to the Potato Marketing Board's latest estimate, total stocks were 2.40m tonnes at the end of February, 1.07m down on their mid-January level. But the fall was largely accounted for by sales of potatoes for animal feed, and stocks are still seen as relatively high.

The problems stem from a surplus which Mr Robin Pooley, the board's chief executive, put yesterday at about 550,000 tonnes, over 100,000 tonnes more than the board has been able to absorb

After its repeated failure to agree on an increase in the minimum saleable size of potatoes—the so-called "mirimum riddle"—the board has been unable to prevent a continuing slide in producer prices.

However, the prospects for next season may be brighter. The board is to decide today whether to increase the riddle size from 40mm to 45mm for the next crop year, which begins in August. According to Mr Pooley, this would reduce potential supplies by upwards of 100,000 tonnes.

Sri Lanka buys more rice from China

By Mervyn de Silva in Colombo

CHINA has contracted to sell Sri Lanka 100,000 tonnes of rice for what is believed to be $170 a tonne. It will be used as buffer stock.

This is in addition to 50,000 tonnes bought from China three months ago for $175 a tonne.

Though the Minister of Agriculture claimed recently that the island had reached the goal of self-sufficiency and an excellent harvest was anticipated this year, terrorist activity in the northern and eastern provinces has badly affected the Paddy Marketing Board's procurement and milling capabilities.

● AUSTRALIAN energy output is expected to rise 82 per cent in the 10 years ending June 1994 while energy exports are projected to rise 150 per cent in the same period, a Resources and Energy Ministry report said. A predicted 128 per cent rise in uranium production to about 10,000 tonnes a year in 1993-94 will be the major contributor to the increases in output and exports.

● SWINE FEVER: Measures taken to limit an outbreak of African swine fever in north-west Belgium which led to the slaughter of about 18,500 pigs have been partially lifted, the Agriculture Ministry said.

● THAILAND exported 1,731 tonnes of tungsten in 1984, up from 1,189 the previous year, the Mineral Resources Department said.

● TAPIOCA: The South Korean Animal Feeds Association pledged to start buying Thai tapioca pellets this year at an initial annual total of 225,000 tonnes, the Thai Tapioca Trade Association said.

● THE SOVIET UNION is expected to buy between 200,000 and 500,000 tonnes of tapioca from a West German trade house, trade sources said in Hamburg and Rotterdam. It would be the first Soviet tapioca purchase.

NZ lamb exports threatened

Farmer's viewpoint: by John Cherrington in New Zealand

WHEN I was first in New Zealand, about 50 years ago I was shown the place where the old ewes, their days of breeding and wool production over, used to be driven over a cliff to be rendered down into fat, or simply left to rot.

Refrigeration introduced in the 1880s put an end to that and for a hundred years every animal slaughtered in New Zealand was frozen or chilled for export, initially almost entirely to Britain but latterly to many other countries too.

This export success could be threatened. Last year 40,000 tonnes of surplus lamb had to be rendered down, plus an unknown quantity of old ewes. Now the process may have to be extended further if markets cannot be found to absorb the supplies available. It is not that the New Zealand Meat Board, which handles all marketing, is not trying.

I visited an abattoir processing 20,000 lambs a day. New Zealand slaughter houses used not to be the most pleasant of places. They were noisy and the killing methods archaic. Nowadays, the sheep handling is quiet and efficient. all the stock were stunned electronically before bleeding. On this occasion this operation was performed by Moslem ritual slaughter. Halal. The animals seemed to be unconscious before this operation and I believe all ritual slaughter in Britain should be preceded by stunning on these lines.

Hygiene after slaughter was thorough—it seemed to be rigidly carried out to EEC standards. The quality standards of the sheep being killed varied greatly, some would not have been acceptable under British grading standards as being unfinished. A few were over-fat.

But they were graded after slaughter and there is a market for everything, the smallest going to Greece and Italy, other lines to the UK, and very large numbers to Iran and the Middle East.

There does not seem to be the quality cachet that used to be associated with NZ lamb, certainly on the British market. It was not by mid-March the young milk fed lamb of the advertisements, but grass fed and already ageing. Perfectly good to eat of course, but no more special than pork or poultry, with which it has to compete.

A proportion of the kill was being processed, that is cut into joints and pieces. This is fine for the legs and loin, producing excellent small joints. But boning out the front half is time consuming and expensive. This is the end of the animal that Bernard Matthews hopes to process into cuts with which to tempt the younger housewife back to the red meat market. No one yet knows if this will succeed. Will Matthews be able to pay a premium on the carcases so processed over the returns to be expected from the wholesale markets.

Those in charge of lamb marketing here have been in a state of anxiety for some time. Partly because of the great increases in production following the incentive schemes run by previous NZ governments. These produced the goods. Over the last five years lamb slaughterings have increased by 25 per cent or 100,000 tonnes. The established marketing systems were considered incapable of coping and the New Zealand Meat Board took over all responsibility.

Previous marketing of New Zealand lamb could be fairly criticised. The farmer was shut away from it, as indeed was the meat board which was at that time simply a promotional body. The changeover coincided with the world recession, the protectionism of the EEC which restricted sales to Europe, to say nothing of the increasing production of EEC sheepmeat, and the threat of subsidised Community meat exports, particularly beef.

In these circumstances the NZ Meat Board was lucky not to have to render down greater quantities into fat and meat and bone meal. Large quantities have been diverted to Iran, the largest customer, and there are hopes that a settlement of the Gulf War could turn this area into a bigger growth market. This could well be true as could parts of the Pacific Basin. But what price could these people pay? Could they pay the premiums needed to make the lamb a quality product?

There is an ominous parallel here. New Zealand produces some of the best beef in the world. You never strike a bad steak here. Beef exports earn the country as much as lamb but the most important customer, the U.S., turns it all into manufacturing meat for hamburgers.

Even quality beef has no premium. It would be a great pity if lamb had to be marketed in the same way, either as a protein filler for manufactured products, or as meat meal with which to feed its main competitor, the broiler chicken.

Middle East trade boost

MR COLIN MOYLE, the New Zealand Agriculture Minister, who broke into the Egyptian market with a sizeable lamb sale last week, is looking for expanded agricultural trade in the Middle East.

He predicted the sale of up to 45,000 tonnes of lamb over the next three years would lead to "very substantial trade between New Zealand and Egypt." The lamb would e in primal cut or possibly carcass form.

New Zealand would provide 12,500 tonnes this year and at least 15,000 tonnes next year and the same in 1987 at prices to be negotiated but based on London's Smithfield market.

Another agreement to sell 2,000 tonnes of full cream milk powder to Egypt this year also represented a substantial deal "and should be the beginning of interesting developments on the dairy side."

The minister is on a two-week Middle East tour that has taken him on official visits to Egypt, Oman, Bahrain and Saudi Arabia.

LONDON MARKETS

TRADE BUYING interest, sparked off by the sharp drop in sterling prices last week, helped to push London robusta coffee values up yesterday. The May position gained £26 to £2,312.5 a tonne.

London cocoa futures, however, failed to respond as expected to the sharp rise in the New York market on Friday. Traders said prices were held back by the availability of more supplies from producing countries for nearby delivery and news of rains in the Bahia cocoa growing region of Brazil. Consumers were reported to be reluctant buyers in view of forecasts of a longer-term downward trend in prices. The May position closed only £16.5 up at £2,072.5 a tonne.

Early losses in sugar were wiped out in later trading by news that India was planning to import a further six cargoes from the world market.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

METALS	Mar. 25 1985	+ or —	Month ago
Aluminium	£1100		£1100
Free Mkt	$1125/145	−5	$1145/1160
Copper			
Cash h Grade	£1185.5	−8.5	£1269.5
3 mths	£1206.75	−7.5	£1291.25
Gold troy oz	$315.75	+0.25	$284.75
Lead Cash	£301.5	−1	£338
3 mths	£310.75	−0.5	£346.5
Nickel			
Free Mkt	258/268c		232/262c
Palladium oz	$112.30	+0.30	$112.00
Platinum oz	$268.25	+2.50	$248.00
Quicksilver†	$285/295		$285/295
Silver troy oz	536.35p	−5.85	513.65p
3 mths	553.55p	−5.25	530.85p
Tin cash	£9,651	+1	£10,140
3 mths	£9,675	+12.5	£10,162.5
Tungsten	$75.70		$75.68
Wolfram 22 04lb	$75/78		$73/77
Zinc	£771	+4	£831
3 mths	£749.75	−15	£815.75
Producers	$900-940		$900/940

OILS	Mar. 25 1985	+ or —	Month ago
Coconut (Phil)	$840v		$850
Palm Malayan	$660y	+25	$615
SEEDS			
Copra Phil	$505w	+5	$510
Soyabean (U.S.)	$253x	+1	$241
GRAINS			
Barley Fut. Sep	£98.40	−0.10	£118.08
Maize	£151.00		£148.75
Wheat Fut. May	£123.00	+0.05	£118.50
No. 2 Hard Wint.	‡	—	‡
OTHERS			
Cocoa Ft. May	£2072.5	+16.5	£2224
Coffee Ft. May	£2312.5	+26	£2455.5
Cotton A Index	67.35c	+0.5	67.75c
Gas Oil April	$230.75	−1.5	$228
Rubber (kilo)	67p	+1	66p
Sugar (raw)	$110.5vy	−1.5	$109
Wooltops 64s	507pkilo		506pkilo

‡ Unquoted. w April-May. x April. y May. v March-April. † Per 76 lb flask. c Cents a pound.

INDICES

FINANCIAL TIMES

Mar. 21	Mar. 20	M'th ago	Year ago
294.98	302.04	296.22	304.88

(Base: July 1 1952 = 100)

REUTERS

Mar. 25	Mar. 22	M'th ago	Year ago
1966.0	1963.5	2022.8	2001.0

(Base: September 18 1931 = 100)

MOODY'S

Mar. 22	Mar. 21	M'th ago	Year ago
964.5	960.5	964.7	1,080.5

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Mar. 22	Mar. 21	Month ago	Year ago
Spot	119.67	119.06	120.67	142.95
Fut.	123.00	123.10	121.54	145.54

(Base: December 31 1974 = 100)

OIL

The crude oil market lacked direction and trading was negligible. In the petroleum products market non-EEC qualified gas oil prices fell with the futures in lacklustre conditions due to unclear market direction. Prompt short-covering demand lifted heavy fuel oil prices slightly—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)—April		
Arab Light	27.75-27.85	—
Arab Heavy	25.50-25.60	—
Dubai	27.15-27.25	—
Brent Blend	27.95-28.05	−0.05
W.T.I. (1pm est)	28.10-28.20*	−0.10
Forcados (Nigeria)	28.00-28.20	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	252-254	+1
Gas Oil	237-239	−2
Heavy fuel oil	154-158	+2

Petroleum Argus estimates

* May

GAS OIL FUTURES

Month	Yest'day's Close	+ or —	
	$ U.S. per tonne		
March	241.50	−0.75	241.50-39.75
April	230.75	−1.50	231.50-28.75
May	226.00	−3.50	228.00-25.75
June	224.00	−0.25	224.25-21.50
July	223.50	−0.50	223.50-21.75
Aug	222.00	−4.00	222.00
Sep	225.00	−0.25	—

Turnover: 1,562 (3,399) lots of 100 tonnes.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1185.5-6	−.75	1185-6	−8.5
3 months	1205.5-6	−1.5	1206.5-7	−7.5
Settlem't.	1186	−1	—	—
Cathodes.				
Cash	1190-3	−2	1192-5	−8
3 months	1205.5	−13.5	1207-10	−5
Settlem't.	1193	−1	—	—

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1,184, 85, 85.5, three months £1,212, 11, 10, 09, 09.5, 08, 07, 08, 07, 06, 05, 05.5. Kerb: Higher Grade: Three months £1,205.5, 06, 06.5. Afternoon: Higher Grade: Three months £1,204.5, 4, 4.5, 5, 6, 6.5, 7. Cathodes: Three months £1,207. Kerb: Higher Grade: Three months £1,206, 6.5, 6, 7. Turnover: 13,175 tonnes. U.S. Producers: 66-70 cents a pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9635-45	−12.5	9660-70	+5
3 months	9660-70	+12.5	9690-70	+15
Settlem't.	9645	−10	—	—
Standard.				
Cash	9630-5	−26	9657-65	+7
3 months	9635-40	—	9670-80	+12.5
Settlem't.	9625	−28	—	—
Straits. E.	$29.15		—	—

Tin—Morning: Standard: Cash £9,600, 30, three months £9,630, 20, 10, 20, 30, 40, 35. Kerb: Standard: Three months £9,665, 60, 65. Afternoon: Standard: Three months £9,680, 70, 65, 70, 65, 70. Kerb: Three months £9,680. Turnover: 1,520 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	309-.5	+1	301-2	−1
3 months	310-.5	—	310.5-11	−.5
Settlem't	302.5	+1	—	—

Lead—Morning: Cash £301, 02, three months £311, 10, 11, 10.5. Kerb: Three months £310. Afternoon: Three months £311. Kerb: Three months £311. Turnover: 6,650 tonnes. U.S. Spot: 18-22 cents a pound.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	769-.5	+4.75	770-2	+4
3 months	749-50	+5.75	749.5-50	+5.25
Settlem't	769.5	+4.5	—	—

Zinc—High Grade Official/Unofficial prices: Cash am £780-£781, pm £784-£789. Three months am £775-£780, pm £779-£782. Settlement £781. Morning: Cash £770, three months £748, 50. High Grade: Cash £780. Kerb: Three months £750, 51, 50. Afternoon: Three months £751, 50, 49.5. Kerb: Three months £750, 51, 53. Turnover: 10,550 tonnes. U.S. Prime Western: 45.00-45.75 cents a pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	926-7	−4.25	930-1	−1
3 months	957.5-8	−5	951-.5	−1.25

Turnover: 18,275 tonnes.

Aluminium—Morning: Three months £965, 64.5, 64, 61, 60, 59, 58, 57.5. Kerb: Three months £959, 58.5, 59, 60, 61, 62. Afternoon: Three months £963, 63.5, 64, 64.5, 64, 62, 63, 62, 61.5, 61. Kerb: Three months £960, 61, 60, 59, 58. Turnover: 12,750 tonnes.

GOLD

Gold rose $¼ to $315½-316 on the London bullion market yesterday. Some profit taking, and a firmer dollar, put a little pressure on the metal, but doubts about future trends on the foreign exchanges and U.S. economic strength added support. Gold opened at $314¼-$314¾ and was fixed at $315.90 in the morning, and $314.60 in the afternoon. It touched a peak of $316½-$317 and a low of $314-$314½.

GOLD BULLION (fine ounce) Mar. 25

Close	$315½-316	(£268¾-270¼)
Opening	$314¼-314¾	(£270-270½)
M'n'g fix.	$315.90	(£269.508)
Aft'n'n fix.	$314.60	(£268.450)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$325¼-326	(£277¾-278½)
½ Krug.	$167¼-168	(£142¾-143½)
¼ Krug.	$85-85¾	(£72½-73¼)
1/10 Krug.	$34½-35¼	(£29½-30)
Mapleleaf	$325½-326¼	(£276-278½)
New Sov.	$74½-75¼	(£63½-64¼)
½ New Sov	$44¾-45¼	(£38¼-38¾)
Old Sov.	$74-76	(£65-64½)
$20 Eagle	$450-490	(£384¼-418½)
Noble Plat	$275¾-279¼	(£235-238)

SILVER

Silver was fixed 5.65p an ounce lower for spot delivery in the London bullion market yesterday at 536.35p. U.S. cent equivalents of the fixing levels were: spot 630.5c, down 8.5c; three-month 644.25c, down 8.4c; six-month 660.90c, down 7.5c; and 12-month 697.0c, down 7.9c. The metal opened at 539-542p (628-631c) and closed at 538-542p (630-633c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	536.35p	−5.65	537p	+1.5
3 months	553.55p	−5.25	555.5p	−1
6 months	569.00p	−5.05	—	
12 months	600.00p	−4.60	—	

LME—Turnover: 71 (69) lots of 10,000 oz.

Morning: 1st ring three months 558, 57.5, 2nd ring three months 557, 57.5. Kerb: untraded. Afternoon: untraded.

NICKEL

Nickel—Morning: Cash £4,470, three months £4,540, 20. Kerb: Three months £4,525, 30, 35. Afternoon: Three months £4,535, 30, 35, 30, 25. Kerb: Three months £4,525. Turnover: 1,032 tonnes.

NICKEL	a.m. Official £	+ or — £	p.m. Unofficial £	+ or —† £
Spot	4470-5	−10	4470-80	−28
3 months	4525-30	+12.5	4520-5	−10

COCOA

Although steadier futures failed to reach the higher levels expected and in a day of light trading closed on a quiet note. Some light consumer offtake was apparent but producers again stood aside, awaiting a price rise, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	2046-2048	−3.0	2066-2045
May	2072-2073	+16.5	2080-2064
July	2035-2036	+15.0	2045-2028
Sept.	2015-2018	+13.5	2020-2002
Dec.	1932-1933	+11.5	1934-1915
Mar.	1920-1922	+6.5	1921-1910
May	1916-1922	+11.0	—

Sales: 2,170 (4,284) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for March 25: 105.13 (104.08); five-day average for March 26: 104.75 (103.67).

COFFEE

During a quiet session values continued to recover recent losses, reports Drexel Burnham Lambert. Nervous currency trading determined price movements and a slightly easier New York market prompted a £10 retracement from the highs.

COFFEE	Yesterd'ys Close	+ or —	Business Done
March	2263-65	+20.5	2265-2255
May	2312-13	+26.0	2315-2285
July	2352-56	+25.5	2360-2334
Sept.	2393-94	+27.0	2396-2757
Nov.	2415-17	+35.5	2415-2395
Jan.	2385-95	+40.0	2395-2370
March	2357-58	+22.5	2365-2345

Sales: 1,973 (3,305) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for March 22: Comp. daily 1979 133.53 (133.21); 15-day average 131.99 (131.76).

COTTON

LIVERPOOL—No spot or shipment sales were recorded. The market lacked significant new trading and only a limited inquiry was in evidence.

RUBBER

PHYSICALS—The London market opened steadier, attracted routine business throughout the day and closed quietly steady, reports Lewis and Peat. Closing prices (buyers): spot 67.00p (66.00p); May 73.00p (71.50p); June 73.75p. The Kuala Lumpur fob price for April RSS No 1 was 200.0 (194.5) cents a kg and for SMR 20 was 197.0 (193.5).

GRAINS

The old crop wheat market was fairly dull as early losses of 40p were gradually recovered. Barley was slightly steadier. New crops eased a little in featureless trading, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
May	119.55		115.60	+0.25
July	123.00	+0.05	—	—
Sept.	98.25	−0.10	98.40	−0.10
Nov.	101.45	−0.10	101.90	−0.15
Jan.	105.10	−0.10	105.20	−0.20

Business done—Wheat: May 119.50-9.10, July 122.95-2.50, Sept 98.25-8.15, Nov 101.45-1.35, Jan 105.10-5.00. Sales: 161 lots of 100 tonnes. Barley: May 116.35 only, Sept 98.35 only, Nov 101.90 only, Jan 105.20 only. Sales: 16 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 15 per cent: March 169.40, April/June 159.60, July 158.10 transhipment East Coast. U.S. No. 2 Soft Red Winter: April 158.25, May 157.60, July 142 transhipment East Coast. EEC French: July 119, cif, free out Southwest Coast. English feed, fob: April 121.25 paid East Coast, May 123.50, June 124.50, sellers, East Coast. Maize: U.S. No. 3 Yellow/French, transhipment East Coast: March 151. Barley: English feed, fob: May 120.50, June 121.50, sellers, East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 113.80, E. Midlands 113.40, Scotland 111.70. The UK monetary coefficient for the week beginning Monday, April 1 (based on HGCA calculations using four days' exchange rates) is expected to change to 1.000.

PIGMEAT

Prices opened sharply higher due to short-covering based on Danish strike action and fresh buying in nearby April. The market eased towards the close on light profit-taking, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
April	110.50	109.50	111.50-109.90
June	107.30	107.00	107.80-107.50
Aug.	103.00	102.90	—
Oct.	106.90	106.90	106.95
Nov.	109.50	109.30	109.75
Feb.	100.00	100.70	—

Sales: 92 (4) lots of 50 carcases, 3,250 kg.

POTATOES

Sharply lower PMB end of February stock figures were as expected and did little to support the market. Old crop April fall to new contract lows, hitting stop-loss selling beneath £40.00, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business Done
	£ per tonne		
April	39.90	40.60	40.50-39.00
May	46.80	46.80	47.40-46.50
Nov	71.10	70.50	71.20-70.50
Feb	78.00	78.60	79.80-78.50
Apr	94.50	92.70	94.80-92.80

Sales: 349 (474) lots of 40 tonnes.

SOYABEAN MEAL

The market opened £1 lower in active trading, reports T. G. Roddick. Prices continued to ease through the afternoon.

	Yesterday close	+ or —	Business Done
	£ per tonne		
April	144.0-145.5	−1.80	145.0
June	136.4-136.5	−1.50	136.5-136.0
August	134.9-135.2	−1.35	136.0-134.9
October	139.8-139.5	−1.85	141.0-139.5
Dec.	144.0-145.0	−2.25	—
Feb.	150.5-151.0	−1.80	151.5
April	151.5-152.2	−0.85	152.5

Sales: 891 (229) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $110.50 (£94.00), down $1.50 (down £1.00) a tonne for March-April-May delivery. White sugar $132.50, down 50c.

The market initially drifted but news that India was seekingto buy six cargoes today enabled the losses to be recovered, reports C. Czarnikow.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
May	114.4-114.8	115.8-114.6	114.8-112.6
Aug	118.4-119.0	118.8-119.0	118.8-117.4
Oct	123.4-123.8	123.4-123.8	123.8-121.8
Dec	129.0-130.8	129.0-131.0	130.8-129.4
Mar	143.2-143.4	143.8-144.2	143.6-141.8
May	148.4-149.8	147.0-149.8	149.0-146.8
Aug	155.0-154.8	155.0-155.0	—

Sales: 934 (817) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £204.00 (£208.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports.) Prices for March 22: Daily price 3.93; five-day average 3.84.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 618.0, 619.0, 618.0; July 620.0, 623.0, 620.0; Oct 595.0, 600.0, nil; Dec 604.5, 610.0, nil; March 618.0, 619.0, nil; May 621.0, 622.0, nil; July 630.0, 638.0, nil; Oct 610.0, 627.0, nil. Sales: 6.

U.S. MARKETS

HEATING OIL traded unchanged to slightly lower on expectations of an increase in imports; stocks continue to be very tight discouraging traders from taking short positions which would be expected because of a seasonal decline in demand, reports Heinold Commodities. Wheat remained strong and finished higher on spot supply tightness. Maize was nominally lower on reports of a better movement in the country. Soyabeans were mixed with nearby months supported by commercial and professional buying. Gold and silver lost ground in response to dollar strength but the social unrest in South Africa limited selling interest. Copper weakened reflecting the smaller than expected decline in LME stocks. Sugar steadied on a better tone to cash demand. Coffee firmed on a rise in roaster demand. Cocoa drifted lower on indications of producer selling hanging over the market and reports of favourable weather prevailing in Brazil. Cotton maintained a steady but cautious tone on expectations of additional Russian purchases.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	48.95	—	—	49.00
April	49.05	—	—	49.10
May	49.45	49.50	49.15	49.50
July	50.30	50.20	50.05	50.35
Sept	51.15	51.15	50.90	51.20
Dec	52.40	52.15	52.05	52.45
Jan	52.80	—	—	52.85
March	53.65	—	—	53.70
May	54.45	—	—	54.50
July	55.25	—	—	55.30

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
May	2385	2409	2365	2403
July	2210	2225	2198	2235
Sept	2185	2195	2185	2218
Dec	2106	2125	2106	2140
March	2105	2112	2105	2128
May	2130	—	—	2128
July	2100	—	—	2128

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
May	146.00	46.05	44.80	45.28
July	145.99	46.00	44.90	45.23
Sept	145.28	45.30	44.10	44.27
Dec	144.50	44.55	43.60	43.75
May	142.50	—	—	41.28
July	141.25	—	—	39.51

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
March	60.45	61.00	60.40	60.90
April	60.60	—	—	61.05
May	61.00	61.70	60.90	61.45
July	61.55	62.20	61.50	62.00
Sept	61.90	62.50	61.80	62.35
Dec	62.50	63.20	62.45	62.95
Jan	62.70	—	—	63.15
March	63.10	63.45	63.35	63.45
May	63.60	63.90	63.90	63.95
July	64.10	—	—	64.45

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	67.48	68.25	67.40	67.94
July	65.80	66.50	65.70	66.35
Oct	65.22	65.50	65.35	65.35
Dec	65.18	65.50	65.17	65.30
March	66.20	66.75	66.20	66.50
May	66.65	—	—	67.07
July	67.00	—	—	67.25

CRUDE OIL (LIGHT) 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
May	28.17	28.17	27.94	28.24
June	27.57	27.60	27.33	27.63
July	27.34	27.34	27.03	27.31
August	27.20	27.25	27.02	27.15
Sept	27.15	27.20	26.95	27.04
Oct	27.10	26.99	26.99	27.08
Nov	27.11	27.10	26.97	27.25
Dec	27.06	26.97	26.97	27.25

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
March	316.1	316.2	315.4	316.4
April	316.4	317.0	314.0	316.8
May	318.6	—	—	319.1
June	320.9	321.7	318.5	321.5
August	325.6	326.5	323.0	326.3
Oct	330.6	331.5	328.3	331.3
Dec	336.1	336.9	334.0	336.9
Feb	341.9	343.0	341.6	342.7
April	347.6	348.0	347.2	348.5
June	353.8	354.5	352.2	354.7
August	360.1	360.6	360.6	361.1
Oct	366.7	366.8	366.8	367.7
Dec	373.4	374.3	374.3	374.5

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
April	81.60	81.70	80.10	81.42
May	76.75	76.80	75.55	76.52
June	73.70	73.80	72.50	73.38
July	72.80	72.80	71.80	72.40
August	73.00	73.00	72.50	72.90
Sept	73.30	—	—	73.37

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
May	161.40	63.35	61.15	63.65
Sept	162.25	63.40	62.50	64.15
Nov	160.25	61.75	60.50	63.10
Jan	160.25	62.25	61.40	63.10
March	160.50	—	—	63.50
May	160.50	—	—	63.50
July	160.50	—	—	63.50

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
March	266.2	—	—	265.7
April	266.4	267.5	265.0	265.9
July	269.6	271.0	268.0	268.6
Oct	275.2	277.0	275.5	275.3
Jan	281.8	283.0	281.4	281.9
April	289.4	290.5	290.0	288.5

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
March	629.6	632.5	626.0	632.5
April	630.3	630.0	630.0	633.3
May	634.5	638.5	630.0	637.5
July	643.9	648.0	640.0	647.0
Sept	654.9	658.5	651.0	658.0
Dec	672.6	676.0	670.0	675.7
Jan	678.5	—	—	681.6
March	690.8	692.0	689.0	693.7
May	703.9	704.0	701.0	707.0
July	717.8	722.0	719.0	720.7

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	3.94	3.96	3.88	3.95
July	4.13	4.14	4.05	4.14
Sept	4.30	4.29	4.22	4.31
Oct	4.47	4.48	4.38	4.48
Jan	4.99	4.91	4.91	4.97
March	5.40	5.40	5.35	5.41
May	5.67	5.67	5.60	5.66
July	5.90	5.85	5.83	5.90

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
April	63.12	63.25	62.85	63.05
June	66.22	66.37	65.75	66.10
August	66.05	66.20	65.65	65.85
Oct	63.82	64.20	63.77	63.82
Dec	65.05	65.20	64.80	65.02
Feb	65.40	65.70	65.30	65.40
April	66.40	66.40	66.40	66.10

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
April	45.22	45.75	45.05	45.90
June	49.75	50.30	49.65	50.37
July	51.35	51.90	51.20	51.80
August	51.72	51.95	51.32	51.60
Oct	48.67	48.80	48.30	47.90
Dec	49.15	49.20	48.70	48.45
Feb	49.20	49.25	48.75	48.45
April	46.15	46.15	46.15	46.02
June	48.90	48.90	48.25	48.02

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
May	278.4	279.4	278.2	280.0
July	278.6	279.6	278.4	280.4
Sept	269.4	271.0	269.0	271.0
Dec	263.2	265.0	263.0	264.4
March	271.6	273.4	271.6	273.0
May	278.4	278.8	278.4	279.8
July	281.0	282.0	281.0	282.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
May	71.95	73.85	71.90	73.82
July	72.32	73.65	72.25	73.80
August	70.90	71.55	70.65	71.50
Feb	74.42	74.42	73.00	72.42
March	73.20	73.20	72.65	71.20
May	73.60	73.60	73.60	71.60
July	74.10	74.10	73.60	72.10

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
July	614.4	614.4	611.4	613.4
August	615.4	615.4	611.8	614.2
Sept	606.0	606.0	604.4	607.4
Nov	608.2	610.4	606.2	610.2
Jan	619.0	620.4	617.0	621.4
March	629.4	631.0	627.4	633.0
May	637.0	—	—	640.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	137.0	138.0	136.2	138.4
July	143.1	144.0	142.3	144.5
August	146.0	146.7	145.2	147.2
Sept	148.3	148.7	148.0	149.2
Oct	151.0	151.0	150.3	151.3
Dec	156.0	156.5	155.2	156.5
Jan	158.3	158.5	158.0	158.7
March	163.5	163.5	163.5	162.3

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
May	29.87	30.00	29.15	29.35
July	28.28	28.40	27.80	28.00
August	27.35	27.45	27.00	27.18
Sept.	26.85	26.70	26.25	26.60
Oct	25.50	25.60	25.30	25.60
Dec	24.77	25.00	24.56	24.90
Jan	24.47	24.75	24.45	24.88
March	24.40	24.60	24.40	24.78

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
May	360.2	361.0	354.0	357.2
July	338.2	339.0	335.0	336.2
Sept	336.2	337.0	333.4	334.4
Dec	346.0	347.0	343.4	344.0
March	352.0	352.6	351.6	351.0
May	348.4	—	—	347.0

SPOT PRICES—Chicago loose lard 24.00 (same) cents per pound. New York tin 525.0-555.0 (520.0-550.0) cents per pound. Handy and Harman silver bullion 630.0 (631.5) cents per troy ounce.

OTHER MARKETS

PARIS

SUGAR—(FFr per tonne): May 1325-1328, Aug 1380-1385, Oct 1415-1420, Dec 1470-1490, March 1576-1585, May 1630-1640.

COCOA—(FFr per 100 kg): March 2350-2361, May 2351-2353, July 2310 bid, Sept 2275-2300, Dec 2195-2200, March 2180 bid, May 2150 bid.

ROTTERDAM

WHEAT—(U.S. $ per tonne): U.S. two soft red winter April 169, May 166.50, July 148. U.S. two northern spring 14 per cent protein April/May 166.50, May 167, June 166.50, July 166, Aug 166.50, Sept 166. U.S. northern spring 15 per cent protein April/May 177.50, Sept 178. U.S. three hard amber durum April/May 177, June 178, July 178, Aug 176, Sept 172.50, Oct 176. Canadian one western amber durum April/May 184.50, May/June 186.50, Sept 185.

MAIZE—(U.S. $ per tonne): U.S. three yellow afloat 138, April 135, May 134.50, June 134.50, July 135, July/Sept 134.50, Oct/Dec 128, sellers. Argentine Plate afloat 135, Mar 132, April 130, May/June 131.50 sellers.

SOYABEANS—(U.S. $ per tonne): U.S. No Two yellow Gulfports April 247, May 246, June 245.30, July 245.30, Aug 246, Sept 246, Oct 241.75, Nov 241.75 sellers.

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle, 94.43p per kg lw (−0.89). GB—Sheep, 216.55p per kg est dcw (+8.53). GB—Pigs, 82.06p per kg lw (+1.30).

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 74.0 to 81.0. English hindquarters 92.0 to 96.0, forequarters 48.0 to 54.0. Ulster forequarters 48.0 to 53.0. Veal: Dutch hinds and ends 124.0 to 127.0. Lamb: English small 86.0 to 94.0, medium 84.0 to 88.0, heavy 80.0 to 86.0. Scottish medium 82.0 to 88.0, heavy 80.0 to 85.0. Imported: New Zealand PL (new season) 68.0 to 69.5, PL (old season) 64.5 to 65.0, PX (new season) 65.0 to 68.0. Pork: English under 100lb 47.0 to 60.0, 100-120lb 51.0 to 54.5,

CURRENCIES, MONEY and CAPITAL MARKETS

FINANCIAL FUTURES — FOREIGN EXCHANGES

Dollar rises in quiet trading

The dollar gained ground in very quiet foreign exchange trading. Last week's economic statistics are now regarded as rather pessimistic, particularly the lower-than-expected flash estimate of U.S. first quarter gross national product, but no further data is due for publication until the latter part of this week. The U.S. trade figures will be released on Thursday, but more interest is likely to centre on Friday's leading indicators.

A steady Federal funds rate of around 8½ per cent in early New York trading helped support the dollar, while fears of a growing U.S. banking crisis, following the problems of Ohio savings banks, tended to subside. This left the dollar firm, but nervous, with many dealers prepared to wait on the sidelines until there is further guidance on the rate of U.S. growth later this week.

The dollar rose to DM 3.2375 from DM 3.2260; FFr 9.8875 from FFr 9.86; SwFr 2.7410 from SwFr 2.7275; and Y256.65 from Y255.55.

On Bank of England figures the dollar's index rose to 150.5 from 149.8.

STERLING — Trading range against the dollar in 1984-85 is 1.4940 to 1.0525. February average 1.0933. Exchange rate index rose to 75.7 from 75.5. It opened 0.1 lower at 7.54 and touched a low of 75.3 at 9 am, but recovered to a peak of 75.9 at 11 am.

Sterling traded within a narrower range than of late against the dollar, and closed 20 points lower at £1.1710-1.1720. This reflected the overall firming of the U.S. currency, but the pound managed to improve against most other major units. The impact of last week's Budget is wearing off, but relatively high London interest rates continue to support the pound, while renewed fighting in the Gulf War is creating nervousness about oil supplies, and also underpinning sterling. The pound rose to DM 3.7950 from DM 3.78; FFr 11.59 from FFr 11.54; SwFr 3.21 from SwFr 3.1975; and Y300.75 from Y299.25.

D-MARK — Trading range against the dollar in 1984-85 is 3.4510 to 2.5535. February average 3.3008. Exchange rate index 119.9 against 121.0 six months ago.

The D-mark weakened against the dollar in calm and quiet Frankfurt trading. The dollar closed at DM 3.2360, after being fixed at DM 3.2247, compared with DM 3.2100 on Friday. The Bundesbank did not intervene at the Frankfurt fixing. Dealing spreads narrowed in thin and lacklustre trading, with the market generally uncertain about the future direction of the U.S. currency. A steady opening to the Federal funds rate in New York at around 8½ per cent helped support the U.S. currency while regional figures released yesterday suggested that German inflation is no problem at present. In Milan the D-mark touched a record high of L637.7 at the fixing, compared with L636.00 on Friday.

STERLING EXCHANGE RATE INDEX

	March 25	Previous
8.30 am	75.4	76.3
9.00 am	75.3	76.6
10.00 am	75.5	76.3
11.00 am	75.9	76.1
Noon	75.7	75.7
1.00 am	75.8	75.7
2.00 pm	75.6	75.2
3.00 pm	75.7	75.6
4.00 pm	75.7	75.5

£ in New York

	March 25	prev. close
£ Spot	$1.1708-1.1718	$1.1755-1.1765
1 month	0.53-0.50pm	0.49-0.46pm
3 months	1.21-1.17pm	1.17-1.14pm
12 months	1.45-1.30pm	1.39-1.33pm

Forward premiums and discounts apply to the U.S. dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu March 25	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	44.8619	−0.09	−0.08	±1.5522
Danish Krone	8.14104	8.00288	−1.70	−1.69	±1.6419
German D-Mark	2.24184	2.23412	−0.34	−0.33	±1.1475
French Franc	6.87456	6.82592	−0.71	−0.70	±1.3669
Dutch Guilder	2.52595	2.52331	−0.10	−0.09	±1.5171
Irish Punt	0.72569	0.715216	−1.44	−1.43	±1.6703
Italian Lira	1403.49	1420.57	+1.22	+1.22	±4.0410

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Little change

Trading volume slackened noticeably in the London International Financial Futures Exchange yesterday. Euro-dollar prices traded within a narrow range during the morning, meeting resistance at 89.64 and 89.67 in the June contract before U.S. participation pushed it to a low of 89.62. It came back to close at 89.66 down from 89.70 on Friday.

There appeared to be little incentive to move, ahead of this week's U.S. Treasury auctions, with a majority opinion suggesting a rather bad reception. This is based on fears that the recent decline by the dollar may allow the Federal authorities to tighten monetary policy to combat inflation and push cash rates firmer. U.S. bond prices tended to reflect the same sentiment although early selling failed to attract any follow-through.

Sterling based instruments were particularly quiet with less than 1,500 lots traded in three-month sterling deposits and just over 700 in the long gilt. Trading in the FT-SE sector was at a virtual standstill at just over 100 lots traded. A generally bearish short-term outlook left the market nervous as the prospect of an early base rate cut receded. In addition sterling failed to make any significant headway. The June gilt prices opened weaker and recovered later before slipping away to finish around the middle of the day's range and little changed from Friday.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	89.66	89.67	89.62	89.70
Sept	89.06	89.07	89.01	89.11
Dec	88.68	88.67	88.61	88.72
March	88.39	—	—	88.44
June	88.17	—	—	88.22

Estimated volume 3,073 (654)
Previous day's open int 15,328 (15,676)

THREE-MONTH STERLING £500,000 points of 100%

	Close	High	Low	Prev
June	88.48	88.62	88.45	88.65
Sept	88.96	89.01	88.96	89.08
Dec	88.97	—	—	89.06
March	88.80	—	—	89.05
June	88.75	—	—	88.75

Estimated volume 1,469 (2,251)
Previous day's open int 5,444 (5,372)

CHICAGO

U.S. TREASURY BONDS (CBT)

POUND SPOT—FORWARD AGAINST POUND

March 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1620-1.1795	1.1710-1.1720	0.53-0.50c pm	5.28	1.21-1.16pm	4.05
Canada	1.6017-1.6230	1.6150-1.6200	0.47-0.41c pm	3.26	1.00-0.91pm	2.36
Nethlnd.	4.2588-4.3250	4.31½-4.32½	2¾-2⅝c pm	7.29	7-6¾pm	6.31
Belgium	75.75-76.36	76.15-76.25	25-20c pm	3.54	58-47pm	2.70
Denmark	13.50¾-13.61¾	13.58-13.59	3⅛-2⅛ore pm	2.37	6⅞-5¾pm	1.84
Ireland	1.2077-1.2158	1.2135-1.2145	0.11p pm-0.06 dis	0.25	0.13pm-.32d	−0.31
W. Ger.	3.76¾-3.80	3.79-3.80	2⅞-2⅝pf pm	8.70	7¼-6⅞pm	7.38
Portugal	208¾-213¾	210-213	140-500c dis	−18.16	470-1400dis	−17.68
Spain	209¾-211	210½-210¾	20-10c pm	0.86	15pm-15dis	—
Italy	2,385¾-2,416¾	2,409-2,411	par-3lire dis	−0.75	7-11dis	−1.49
Norway	10.79¾-10.88¾	10.85-10.86	1⅞-1⅜ore pm	1.88	2½-1¾pm	0.78
France	11.51½-11.60⅞	11.58½-11.59½	3⅛-2⅞c pm	3.36	7¼-6¾pm	2.33
Sweden	10.78½-10.96¾	10.84-10.85	1-⅞ore pm	0.76	¼pm-¼dis	−0.02
Japan	298.2-302.1	300¼-301¼	2½-1⅞y pm	7.98	5¾-5pm	6.90
Austria	26.40-26.70	26.60-26.70	17½-16¾gro pm	7.57	43¾-40¾pm	6.31
Switz.	3.19-3.22¾	3.20½-3.21½	2½-2¼c pm	8.88	6¾-5⅞pm	7.55

Belgian rate is for convertible francs. Financial franc 76.50-76.60. Six-month forward dollar 1.48-1.43c pm. 12-month 1.50-1.35c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

March 25	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1620-1.1795	1.1710-1.1720	0.53-0.50c pm	5.28	1.21-1.16pm	4.05
Ireland†	0.9620-0.9705	0.9650-0.9660	0.45-0.35c pm	4.98	1.20-0.90pm	4.38
Canada	1.3770-1.3866	1.3815-1.3835	0.20-0.23c dis	−1.87	0.58-0.63dis	−1.75
Nethlnd.	3.6320-3.6695	3.6560-3.6570	0.73-0.70c pm	2.34	2.17-2.14pm	2.36
Belgium	64.70-65.40	65.00-65.10	9½-10½c dis	−1.86	25-27dis	−1.61
Denmark	11.53¾-11.62¾	11.58½-11.59	2-2½ore dis	−2.34	4½-5dis	−1.62
W. Ger.	3.2150-3.2470	3.2370-3.2380	0.98-0.93pf pm	3.56	2.74-2.69pm	3.37
Portugal	178-182	180-181	200-500c dis	−23.20	600-1400dis	−22.10
Spain	178.70-180.20	179.80-180.00	62-70c dis	−4.42	180-200dis	−4.24
Italy	2,044-2,066½	2,060½-2,061½	10½-11lire dis	−6.29	29-29¾dis	−5.73
Norway	9.22½-9.29	9.27¼-9.27¾	2½-3ore dis	−3.57	7½-8dis	−3.35
France	9.8225-9.9200	9.8870-9.8880	1.55-1.65c dis	−1.95	4.20-4.50dis	−1.77
Sweden	9.21½-9.29¾	9.26¼-9.26¾	3¼-3¾ore dis	−4.55	9½-10dis	−4.22
Japan	255.30-256.80	256.60-256.70	0.63-0.53y pm	2.72	1.93-1.83pm	2.94
Austria	22.62-22.81½	22.75-22.78	5-4¼gro pm	2.45	14½-12½pm	2.38
Switz.	2.7285-2.7470	2.7405-2.7415	0.91-0.86c pm	3.88	2.48-2.42pm	3.58

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 65.30-65.40.

OTHER CURRENCIES

Mar. 25	£	$		£ Note Rates
Argentina Peso	383.24-383.93	327.48-327.76	Austria	26.60-26.80
Australia Dollar	1.6770-1.6810	1.4335-1.4360	Belgium	76.25-77.05
Brazil Cruzeiro	4,951-4,978	4,230-4,250	Denmark	13.56-13.69
Finland Markka	7.8295-7.8475	6.7030-6.7080	France	11.50-11.61
Greek Drachma	160.24-163.93	137.90-140.60	Germany	3.77-3.81
Hong Kong Dollar	9.1175-9.1275	7.7965-7.7985	Italy	2385-2430
Iran Rial	111.20*	94.50*	Japan	300-305
Kuwait Dinar (KD)	0.3545-0.3555	0.30370-0.30380	Netherlands	4.27-4.31
Luxembourg Fr	76.15-76.25	65.00-65.10	Norway	10.82-10.93
Malaysia Dollar	2.9875-2.9975	2.5555-2.5585	Portugal	205-219
New Zealand Dlr.	2.5400-2.5700	2.1785-2.1930	Spain	204-213
Saudi Arab Riyal	4.2180-4.2230	3.6100-3.6110	Sweden	10.79-10.91
Singapore Dollar	2.6255-2.6355	2.2450-2.2480	Switzerland	3.20-3.23
Sth African Rand	2.3175-2.3285	1.9800-1.9890	United States	1.17½-1.19¼
U.A.E. Dirham	4.2905-4.2955	3.6720-3.6730	Yugoslavia	266-310

* Selling rate.

CURRENCY MOVEMENTS

Mar. 25	Bank of England Index	Morgan Guaranty Change %
Sterling	75.7	−13.8
U.S. dollar	150.5	+35.3
Canadian dollar	88.1	−7.0
Austrian schilling	109.8	+3.7
Belgian franc	88.3	−11.1
Danish Kroner	76.3	−5.7
Deutsche mark	119.9	+5.9
Swiss franc	135.3	+6.2
Guilder	110.1	+2.5
French franc	63.7	−16.3
Lira	44.8	−16.7
Yen	155.1	+11.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Mar. 25	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.829414	0.589549
U.S. $	8	0.973898	0.690184
Canadian $	11.18	*	0.953834
Austria Sch.	4½	22.0687	15.6741
Belgian Fr	11	63.1086	44.8619
Danish Kr	7	11.2534	8.00268
Dmark	4½	3.14053	2.23412
Guilder	5¼	3.54732	2.52331
French Fr	9½	9.60215	6.82592
Lira	15½	1996.49	1420.57
Yen	5	249.416	176.756
Norway Kr.	8	9.02316	6.38765
Span'h Pta.	—	174.620	123.835
Swedish Kr	9	9.02852	6.39283
Swiss Fr	4	2.65381	1.89055
Greek Dr'ch	20½	N/A	95.9355
Irish Punt	12¾	1.00922	0.715216

* C$/SDR rate for March 22: 1.34244.

EXCHANGE CROSS RATES

Mar. 25	Pound St'rling	U.S. Dollar	Deutschem'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.172	3.795	300.8	11.59	3.210	4.320	2410.	1.618	76.20
U.S. Dollar	0.854	1.	3.238	256.7	9.888	2.741	3.657	2061.	1.381	65.05
Deutschemark	0.264	0.309	1.	79.25	3.054	0.846	1.138	635.0	0.426	20.08
Japanese Yen 1,000	3.325	3.895	12.62	1000.	38.54	10.67	14.36	8013.	5.378	253.4
French Franc 10	0.863	1.011	3.274	259.5	10.	2.770	3.727	2079.	1.396	65.75
Swiss Franc	0.312	0.365	1.182	93.69	3.611	1.	1.346	750.8	0.504	23.74
Dutch Gilder	0.231	0.271	0.878	69.62	2.683	0.743	1.	557.9	0.374	17.64
Italian Lira 1000	0.415	0.486	1.575	124.8	4.809	1.332	1.793	1000.	0.671	31.62
Canadian Dollar	0.618	0.724	2.346	185.9	7.165	1.985	2.671	1490	1.	47.11
Belgian Franc 100	1.312	1.537	4.980	394.7	15.21	4.213	5.669	3163.	2.123	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Mar. 25	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark*	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	14⅛-14⅝	8⅝-8⅞	9⅞-10⅜	6⅝-6⅞	1¼-1½	5⅝-5⅞	10⅞-10⅞	13½-14½	10¼-10½	10¼-10½	6⅜-6⅞	10¾-11¼
7 day's notice	14⅜-14½	8⅞-8⅞	10-10¼	6⅝-6¾	13¼-13½	5⅞-5⅞	10½-10⅝	13½-14½	10⅛-10⅝	10½-10¾	6⅞-7	10¾-11¾
Month	14-14⅛	8⅞-9	10⅝-10⅞	6⅞-6⅞	5⅛-5⅝	5⅞-5⅞	10⅝-10⅝	14½-15	10½-10¾	10⅝-10⅞	6⅞-6⅞	11¼-11¾
Three months	13⅞-13⅞	9⅛-9⅛	11¼-11⅜	7-7⅛	5¾-5⅞	5⅞-6⅛	10⅞-11⅛	14⅞-15¼	10⅝-10⅞	10⅝-10⅞	6⅜-6⅝	11½-12
Six months	12⅝-12¾	9⅞-9⅞	11½-11⅝	7⅛-7¼	5¾-5⅞	6⅛-6¼	11⅛-11½	15¼-15½	10¾-11	10¾-11	6⅝-6⅞	11-11½
One year	12⅞-12⅞	10⅝-10¾	11⅞-11⅞	7¼-7⅞	5½-5⅝	6⅜-6½	12-12¼	15¾-16¼	11¼-11½	11⅛-11⅝	6⅝-6⅞	11¼-11¾

Asian $ (closing rates in Singapore): Short-term 8⅝-8¾ per cent; seven days 8¾-8⅞ per cent; one-month 8⅞-9 per cent; three months 9⅛-9¼ per cent; six months 9¾-9⅞ per cent; one year 10⅝-10¾ per cent. Long-term Eurodollars: two years 11¼-11⅝ per cent; three years 11⅝-12 per cent; four years 12-12⅜ per cent; five years 12¼-12½ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

Rates firm despite bullish undertone

Interest rates were firmed in London yesterday as the prospect of an early reduction in clearing bank base rates diminished, although sentiment remained bullish. For the time being, however, current uncertainty over the performance of sterling and the U.S. dollar was probably behind the authorities' reluctance to see rates fall too far, too fast. This was underlined by the relatively slow pace at which the recent chronic shortage of day-to-day funds has been resolved.

Three-month interbank money rose to 13⅝ per cent from 13 7/16 per cent while three-month eligible bank bills were bid at 12⅞ per cent up from 12 11/16 per cent. Overnight interbank money opened at 14½-14¾ per cent and touched 15 per cent around lunchtime before dipping to a low of 12 per cent. At the end funds were bid at 13 per cent.

UK clearing banks base lending rate 13½ per cent since March 20

The Bank of England forecast a shortage of around £950m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £767m and the unwinding of previous sale and repurchase agreements a further £372m. In addition Exchequer transactions accounted for £50m and banks brought forward balances £95m below target. These were partly offset by a fall in the note circulation of £315m.

To help alleviate the shortage the Bank offered an early round of assistance which totalled £28m and comprised purchases of eligible bank bills, £1m in band 1 (up to 14 days) at 13⅜ per cent, £21m in band 2 (15-33 days) at 13⅜ per cent and £6m in band 3 (34-63 days) at 13⅛ per cent. The forecast was later revised to a shortage of around £900m before taking into account the early help and the Bank gave additional assistance of £214m through purchases of £33m of eligible bank bills in band 1 at 13⅜ per cent, £156m in band 2 at 13¼ per cent, £24m in band 3 at 13⅛ per cent and £1m in band 4 (64-91 days) at 13 per cent.

Further assistance was given in the afternoon of £569m.

Late assistance came to £105m, making a total of £916m.

MONEY RATES

March 25	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.45-5.55	10⅝	1⅛-1⅝	6¾-6⅞	6.53125	15⅝-16	12.00	14-14¼
One month	6.00-6.15	10⅝-10¾	5⅞-5⅞	6¾-6⅞	6.53125	15½-16⅛	10½-10¾	14½-14⅝
Two months	6.10-6.25	10⅝-10⅝	—	—	—	—	—	14-14¼
Three months	6.20-6.35	10⅝-10¾	5⅝-5¾	6⅞-7	6.34375	15¾-16⅛	10⅝-10⅞	13⅞-14⅛
Six months	6.30-6.50	10⅞-10⅞	—	7-7⅛	—	—	10¾-11	13¾-14
Lombard	6.0	—	—	—	—	—	—	—
Intervervention	—	10⅛	—	6⅞	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

[illegible]

FT LONDON INTERBANK FIXING

(11.00 a.m. March 25)

Three months U.S. dollars	
bid 9 5/16	offer 9 7/16

Six months U.S. dollars	
bid 9 13/16	offer 9 15/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

[illegible]

£ WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on March 25, 1985. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non commercial rate; (nom) nominal; (o) official rate; (sg) selling rate; (c) controlled rate; (u) unified rate.

COUNTRY	CURRENCY	VALUE OF £ STERLING
Afghanistan	Afghani	99.00
Albania	Lek	10.5857
Algeria	Dinar	(A) 6.9336
Andorra	French Franc	11.59
	Spanish Peseta	210.50
Greenland	Danish Kroner	13.5850
Grenada	E. Caribbean $	3.17
Guadaloupe	Local Franc	11.59
Guam	U.S. $	1.1715
Guatemala	Quetzal	1.1715
Peru	Sol	exc(A)8,698.42†
Philippines	Philippine Peso	20.30
Pitcairn Islands	£ Sterling	—
	New Zealand $	2.5550

[illegible]

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for March 25.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 12⅝ 88	150	101¼	101¾	−0⅛	+0¼	12.02
Austria Rep 13⅝ 92	100	105⅝	106⅛	−0⅜	+0⅛	12.32
Bank Of Tokyo 12⅝ 92	100	99⅛	99⅝	0	+0½	12.75
Bank of Tokyo 13⅝ 91	100	104⅛	104⅝	−0⅛	0	12.54
BP Capital 11⅛ 92	150	94¼	94¾	0	+0⅝	12.34
Caisse Nat Tele 13¾ 91	100	104¾	105¼	0	+0⅜	12.61
Canadian Pac 12½ 99	75	101⅛	101⅝	0	+0⅜	12.27
CBS Inc 11⅞ 92	100	95⅝	96⅛	+1⅜	+1⅜	12.29
Chevron U.S.A. 12¼ 89	600	99⅞	100⅜	−0⅜	+0⅛	12.16
Creditanstalt 13⅛ 91	100	101½	102	+0⅛	0	12.67
Denmark Kindom 11½ 92	100	94⅞	95⅜	−0¼	+0⅜	12.58
Denmark Kingdom 13 91	100	101⅞	102⅜	+0⅛	+0½	12.46
Denmark Kingdom 13¼ 91	100	102¼	102¾	+1	+0¼	12.62
Denmark 13⅞ 88 XW	100	103⅞	104⅜	−0½	0	12.24
Denmark Kingdom 14 91	100	105⅜	105⅞	−0¼	0	12.61
E.E.C 11⅛ 90	100	96½	97	0	+0½	12.03
E.I.B. 13 96	200	101⅛	101⅝	−0⅜	+0⅛	12.73
Ex-Im Bk Japan 13¼ 91	75	105⅝	106⅛	−0⅛	−0½	11.83
Export Dev Corp 12 89	100	100	100½	−0⅛	+0½	11.88

	Issued	Bid	Offer	Change on day	Change on week	Yield
Weyerhaeuser 12¼ 87	150	100⅜	100⅞	−0⅜	+0⅛	11.87
World Bank 12¼ 94	150	99½	100	+0½	+0⅜	12.27
World Bank 12⅞ 94	200	102⅛	102⅝	−0¼	+0⅜	12.48

Average price change On day −0⅛ on week +0¼

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	100¼	100¾	0	+1	7.91
Austria Republic 7⅝ 94	200	99½	100	0	+1¼	7.68
Baxter Travenol 7¼ 94	200	98	98½	0	0	7.52
Credit National 8⅛ 94	200	101	101½	+0⅛	+0¾	7.92
Degussa Int Fin 7½ 94	100	100	100½	+0⅛	+0½	7.45
E.E.C. 8 92	200	101	101½	−0½	+0¼	7.75
Escom 8 92	150	99½	100	−0⅜	+0¾	8.05
Ferrovie Dello Stato 8 91	100	100½	101	0	+0¼	7.84
Finland Republic 7 92	200	96¾	97¼	−0⅜	+0½	7.77
Gould Int Fin 7⅝ 91	100	99⅝	100⅛	−0⅜	−0⅛	7.64
Ireland 8⅛ 92	150	100½	101	−0⅛	−0½	7.98
Japan Fin Corp 7⅝ 91	100	100½	101	−0⅛	+1¼	7.46
Mitsubishi Hvy 3½ 89WW	300	104¼	104¾	−0⅜	0	2.91
Mitsubishi Hvy 3½ 89XW	300	90	90½	−0¼	−0¼	8.32

OVER-THE-COUNTER

Continued from Page 34

Indices

NEW YORK-DOW JONES

	March 25	March 22	March 21	March 20	March 19	March 18	1984-85 High	1984-85 Low	Since Compilation High	Since Compilation Low
Industrials	1,263.25*	1,267.45	1,268.22	1,265.24	1,271.09	1,249.87	1299.36 (1/3/85)	1086.57 (24/7)	1299.36 (1/3/85)	41.22 (2/7/32)
Transport	582.88*	594.88	588.09	589.08	603.3	594.77	635.30 (1/3/85)	444.03 (25/7)	635.30 (1/3/85)	12.32 (8/7/32)
Utilities	148.16*	149.28	149.21	149.21	148.7	147.18	151.16 (13/2/85)	122.25 (15/6)	163.72 (20/4/69)	10.5 (28/4/42)
Trading vol		99m	98m	107m	119m	94m	–	–	–	–

	Mar 15	Mar 8	Mar 1	Year Ago (Approx)
Ind Div Yield %	4.89	4.81	4.69	4.67

STANDARD AND POORS

	March 25	March 22	March 21	March 20	March 19	March 18	1984-85 High	1984-85 Low	Since Compilation High	Since Compilation Low
Industrials	199.88*	199.73	200.12	199.91	200.56	197.38	205.16 (1/3/85)	167.74 (24/7)	206.16 (1/3/85)	3.62 (30/6/32)
Composite	179.41*	179.04	179.35	179.08	179.54	176.88	183.35 (13/2/85)	147.82 (24/7)	183.35 (13/2/85)	4.40 (1/6/32)

	Mar 6	Feb 27	Feb 20	Year Ago (Approx)
Ind div yield %	3.83	3.82	3.81	4.09
Ind. P/E Ratio	11.24	11.33	11.34	11.61
Long Gov Bond Yield	11.84	11.83	11.45	12.15

N.Y.S.E ALL COMMON

March 25	March 22	March 22	March 20	1984-85 High	1984-85 Low
103.27*	103.65	103.65	103.65	106.06 (13/2/85)	85.13 (24/7)

RISES AND FALLS

	March 22	March 21	March 20
Issues traded	1,985	1,983	1,998
Rises	684	812	893
Falls	812	697	834
Unchanged	499	474	471

New York Active Stocks

	Stocks Traded	3.00p.m. Price	Change on Day		Stocks Traded	3.00p.m. Price	Change on Day
McGraw-Ed	2,732,100	63½	+8	Att	1,142,100xd	21¼	−⅛
Dow Chem	2,482,500	28¾	−⅛	Pacific Tel	939,000	71⅞	−½
Searle	2,369,400	49	−7¾	Cen Se Wst	874,800	22¼	−⅛
S Cal Edi	2,261,700	24⅛	+⅛	Crown-Zel	671,400	40⅞	−1¾
IBM	1,764,600	125	−2¾	Computrise	631,900	19¾	−1⅛

Advances 479 Declines 1,027

TORONTO	March 25	March 22	March 21	March 20	1984-85 High	1984-85 Low
Metals & Minls	2,056.9*	2,060.2	2,056.32	2,067.2	2524.4 (12/1/84)	1641.2 (25/7)
Composite	2,601.8*	2,605.5	2,601.23	2,606.7	2647.8 (5/3/85)	2079.7 (24/7)
MONTREAL Portfolio	128.45*	129.88	129.48	129.86	132.77 (5/3/85)	100.36 (24/8)

* Indicates pre-close figure

	Mar. 25	Mar. 22	Mar. 21	Mar. 20	1984-85 High	1984-85 Low
AUSTRALIA						
All ord. (1/1/80)	821.2	810.9	802.5	802.8	821.2 (25/3/85)	646.3 (18/6)
Metals & Minls. (1/1/80)	510.7	496.7	490.8	490.8	567.4 (5/1/84)	388.8 (7/1/85)
AUSTRIA						
Credit Aktien (2/1/62)	71.19	70.79	70.70	70.65	74.06 (22/2/85)	55.20 (15/8)
BELGIUM						
Brussels SE (1/1/80)	2296.60	2309.02	2308.61	2305.11	—	—
DENMARK						
Copenhagen SE (3/1/85)	179.73	177.59	178.62	178.84	225.2 (20/1/84)	158.44 (8/1/85)
FRANCE						
CAC General (31/12/82)	208.7	206.10	206.1	206.5	208.7 (25/3/85)	155.6 (3/1/84)
Ind Tendance (28/12/84)	114.4	114.0	112.7	111.9	114.4 (22/3/85)	100.0 (28/12/8)
GERMANY						
FAZ Aktien (31/12/58)	415.10	421.56	423.55	419.94	423.55 (21/3/85)	317.17 (25/7)
Commerzbank (1/12/55)	1202.7	1222.4	1228.3	1217.5	1228.3 (21/3/85)	917.7 (25/7)
HONG KONG						
Hang Seng Bank (31/7/64)	1382.25	1369.89	1347.73	1312.58	1405.17 (19/2/85)	746.02 (13/7)
ITALY						
Banca Comm Ital. (1972)	279.19	278.89	278.43	276.44	288.71 (28/2/85)	192.06 (2/1/84)
JAPAN**						
Nikkei-Dow (16/5/49)	12498.5	12542.6	(c)	12541.4	12542.6 (22/3/85)	9703.35 (23/7)
Tokyo SE New (4/1/68)	1002.97	1006.86	(c)	1005.95	1006.86 (22/3/85)	799.46 (4/1/84)
NETHERLANDS						
ANP-CBS General (1970)	204.5	205.6	206.5	205.5	208.7 (15/3/85)	148.8 (25/7)
ANP-CBS Indust (1970)	166.2	166.6	166.0	164.7	166.8 (22/3/85)	118.7 (18/6)
NORWAY						
Oslo SE (4/1/83)	506.24	506.57	512.26	515.55	545.6 (8/2/85)	221.67 (4/1/84)
SINGAPORE						
Straits Times (1966)	831.28	826.17	827.95	833.32	1071.9 (8/2/84)	764.4 (16/1/85)
SOUTH AFRICA						
Gold (1958)	(u)	1004.4	987.5	980.1	1099.0 (19/11)	788.1 (24/1/84)
Industrial (1958)	(n)	876.2	875.5	880.8	1105.3 (28/5/84)	846.6 (5/3/85)
SPAIN						
Madrid SE (28/12/84)	111.32	111.28	111.74	111.88	117.41 (4/2/85)	100.00 (28/12/8)
SWEDEN						
Jacobson & P (1/1/58)	1409.58	1417.8	1429.65	1432.47	1584.5 (3/2/84)	1302.59 (22/11)
SWITZERLAND						
Swiss BankCpn. (31/12/58)	426.9	429.4	428.3	427.8	430.9 (19/3/85)	354.5 (25/7)
WORLD						
Capital Intl. (1/1/70)	—	201.0	201.2	200.6	201.2 (22/3/85)	165.2 (14/12)

** Saturday March 23: Japan Nikkei-Dow 12,537.9. TSE 1,005.72.

Base value of all indices are 100 except Australian All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

CAPITAL MARKETS

Profits slide forces Dennison to alter terms of bond issue

BY MAGGIE URRY IN LONDON

SHF Bank bond average		
March 25		Previous
100.094		100.152
High	1984/85	Low
103.042		96.656

IN A HIGHLY unusual move, First Chicago yesterday announced a change in the terms of a warrant issue recently launched in the Swiss franc foreign bond market for Dennison Manufacturing, the U.S. office equipment group. The SwFr 100m deal was the first bond-with-warrant issue for a U.S. company in this market.

Since the warrant exercise price was fixed at SwFr 101.73, the company has announced a sharp drop in first-quarter earnings, knocking the share price. In addition the exchange rate has moved against investors. As a result, the warrant price had dropped last week from SwFr 30 to SwFr 19.

After the exercise price was cut to SwFr 90 yesterday, the warrants recovered to SwFr 21, while the bond and warrant package added a point to 95½. Otherwise, the Swiss franc market was quiet yesterday, with prices about ¼ point better.

Trading in the Eurodollar bond market was similarly sluggish yesterday ahead of the U.S. Treasury auctions, which begin today. Prices slipped by ¼ to ⅜ point.

New issue activity was low, with Yamaichi launching a $10m convertible issue for Chugoku Marine Paints, while Merrill Lynch was arranging a $100m floating-rate note private placement for Caisse Française de Développement Industriel, wholly owned by Crédit National and guaranteed by France.

This 12-year issue uses the mismatch formula, paying interest at six-month London interbank bid rates, refixed monthly and payable six monthly.

Morgan Guaranty found another currency sector to tap – the Euro-New Zealand dollar – on behalf of BAC-COB Savings Bank, the Belgian bank. The issue raises NZ $35m with a 15⅝ per cent coupon on the five-year issue. Fees total 2 per cent.

In the D-Mark bond market, Dresdner Bank launched a DM 150m issue for Escom, the South African electricity utility. Terms for the eight-year deal were set at an 8¾ per cent coupon with a 99½ issue price – considered fair by dealers given the current tension in South Africa. The bonds traded comfortably inside the 1½ per cent selling concession at 98⅝.

Otherwise, the market in D-Mark foreign bonds was quiet, with prices down by ⅛ to ¼ point, affected by the weaker New York bond market.

Herr Karl Otto Pöhl, the Bundesbank president, is today expected to outline changes to the D-Mark capital market, allowing the entry of foreign banks to the new-issue business.

CNT, the French telecommunications agency, launched a two-tranche issue in European currency units. The seven-year portion raises Ecu 75m with a 9¾ per cent coupon and par issue price. The 10-year tranche, also for Ecu 75m, has a 9⅞ per cent coupon and par issue price. The deal was led by Banque Bruxelles Lambert.

Meanwhile, Crédit Foncier, also French guaranteed, is arranging a Ecu 150m issue on the U.S. domestic market.

That follows the successful Ecu Yankee issue for the EEC last November, which is now trading around 101¼. Managers for the issue are First Boston, Morgan Stanley and Bear Stearns.

Victoria is expected to be the next Australian state to tap the Eurodollar bond market with an issue of $100m to $150m to be led by Deutsche Bank. The state has already made a Samurai issue for Y30bn, which received a AAA rating. It expects to come to the Euromarket about once a year.

EOE considers Ecu options contract

BY CHARLES BATCHELOR IN LONDON

THE European Options Exchange (EOE) hopes to launch a contract on the European currency unit (Ecu) later this year alongside its existing currency options.

The Amsterdam-based EOE is also considering starting dealings in energy options, on products such as crude oil and gas oil, Mr Tjerk Westerterp, director general of the EOE, told an international options conference in London yesterday. These might be options on futures traded elsewhere, such as the London gas oil futures contract.

The launch of an Ecu option – with a value of around $100,000 – reflects the growing interest in the currency unit. The Ecu, launched in March 1979, has the official backing of the EEC and is its sole unit of account.

It is a basket of nine currencies (the Belgian and Luxembourg francs counting as one) with its largest components the D-Mark, accounting for 32.19 per cent of its weighting, the French franc (19.5 per cent) and sterling (14.9 per cent).

Ecu bonds are now one of the most important currency sectors of the Eurobond market while plans are being considered for the establishment of an international clearing system for bank deposits in Ecus.

The EOE's plans depend on it finding a large bank to act as a market maker in the contract. Negotiations are currently under way.

The EOE trades three currency options in sterling/dollar, D-Mark/dollar and guilder/dollar combinations. These account for about 10 per cent of turnover.